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Qualifying, strengthening and formalising the employer-employee cooperation and employee involvement within the Danske Bank Group

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1 Summary

Since the late 1990's Danske Bank has gone from being a national Danish bank to a multinational financial company present in 15 countries – 13 of these in the EU. This project deals with the 9 countries where operations are of a certain scale. These are: Denmark, Sweden, Ireland, UK (Northern Ireland), Finland and the three Baltic countries as EU-member states and Norway, member of the EEC (the Norwegian participation is not part of the proposal as they are not members of the EU). The presence Ireland and Northern Ireland is due to the acquisitions of National Irish Bank and Northern Bank in 2005 and the presence in Finland and the Baltic countries is due to the acquisition of Sampo Bank in 2007. The 2005- and 2007-acquisitions has thus fuelled the internationalization of the Danske Bank Group.

The process of internationalization that Danske Bank Group is undergoing is a development of a growing number of employees, greater geographical dispersion and longer distances between employee and central management. It means that employees in different countries in some instances are affected by decisions made by a distant management – and vice versa: that decisions made by the central management have consequences in many different settings which can be difficult to monitor. It also means that employees in their everyday work will have dealings with customers or colleagues on issues of transnational character.

These are changes that are well known within the financial sector and trends that we expect will continue. And it is a development that presents new challenges to the employee representatives, the employees and to the Danske Bank Group when it comes to the system of employee involvement and employee – employer co-operation. Maintaining a high level and feeling of involvement, influence and identification amongst employees, when undergoing this development, requires that they are well represented by qualified representatives and adequate representative systems – on the national and the transnational levels.

On the transnational level, the Danske Bank Group and the employee representative organisations in Norway, Sweden, Northern Ireland, Ireland and Denmark have recently taken the first steps towards a framework of transnational employee involvement and employer-employee co-operation. This has been done with the aim of enhancing the Danske Bank Group's and the employees' access to information and consultation about issues affecting the Danske Bank Group in all five countries. The main elements of this framework are a transnational works council – the *Danske Bank Group Works Council* – which was officially agreed upon in November 2005 and a body of employee representatives from the countries mentioned – *Danske Union* for which a preliminary term of reference was formulated in December 2006. (Finland is included informally in this structure and will soon be included formally). This process has accentuated the differences between the national traditions and has provided an idea of the challenges ahead. Furthermore we intend to evaluate the possibility and challenges of integrating the Baltic countries in the transnational employee representative structure and the transnational works council which is another big challenge. And carrying out a process of inclusion presupposes knowledge of the situation in the Baltic Countries and will be a yet bigger challenge, which will stretch over several years.

On the national level traditions and functioning of employee involvement differs. Danske Bank Group has national works councils in Norway, Sweden, Finland, Denmark, Ireland and Northern Ireland whereas employee representation and involvement are very new concepts the Baltic countries. Creating a solid foundation on which different national representative systems can co-operate and build a well functioning transnational employee representative system requires

knowledge of each others traditions and views and a shared understanding of a common European version of employee representation.

To meet the present and possible future challenges we propose a project with the overall purpose of qualifying, strengthening and formalising the employer – employee co-operation and employee involvement within the Danske Bank Group. The overall frame work of the project will be the EU directives on European Works Council (94/45/EC and 97/74/EC), and the EU-directive establishing a general framework for informing and consulting employees in the European Community (2002/14/EC). To promote the overall purpose the project intends to involve the primary stakeholders – employee representatives and representatives of the Danske Bank Group management – in a process where they:

- Are informed about the relevant directives
- Investigate and formulate the relevant areas of focus for a transnational employee representative body and a transnational works council.
- Study and discuss models of transnational employee representation and qualify the transnational employee representative body in the Danske Bank Group.
- Study and discuss models of transnational Works Council and investigate the possibilities within a transnational works council in the Danske Bank Group.
- Are informed about the situation regarding employee representation in the Baltic Countries.
- Discuss the different national systems of employer – employee cooperation known within the Danske Bank Group in relation to the EU directives.

This will be done partly during the main three-day conference where the stakeholders will work on the issues collectively, partly in a seminar for the employee representatives constituting Danske Union and management representatives and partly by a seminar focussing on the employee representation in the Baltic Countries.

The participants and main stake holders will be the elected employee representatives in local unions and representatives from the Danske Bank Group. Involving employer and employee representatives in the structuring of the future co-operation will ensure that the results of the project will be implemented and well rooted in the future.

Amongst the expected results of the project are:

- Qualification and formalization of the transnational employer and employee co-operation
- Improvement of national systems of information and consultation of employees
- Improved systems of transnational information sharing
- Greater knowledge of employee representation in the Baltic Countries and thereby greater preparedness to meet possible future requests for support.

By aiming to strengthen transnational system of employee representation and employee – employer co-operation in the Dansk Bank Group the project meets priority objective c in the call for proposals. By aiming to strengthen national structures of employee – employer co-operation through the exchange of information and good practice in different countries – and by creating a web site to further improve this information sharing – the project deals with priority objective b. And by informing and educating employee representatives in the Danske Bank Groups main countries and a central management representative about the situation in the Baltic countries, and thereby preparing relevant actors to support future initiatives in these countries, the project deals with priority objective d.

2 Why?

The recent internationalisation of the Danske Bank Group means that employees in many different countries are affected by decisions and priorities made by central management in Denmark. We believe that it is in the interest of the employees as well as the company, that a strong transnational employee representative system is constructed to represent employees in all the company's undertakings when dealing with matters of transnational character. At the same time each of the national employee representative systems will be strengthened by a greater level of shared knowledge and a higher level of co-operation between the national unions.

The internationalisation also means that there are different systems of employee representation and of employer-employee co-operation within the company. It is necessary to know each others systems of representation and making sure that these systems can co-operate. This means that it is important to support and promote the construction or improvement of these systems where they don't exist.

We believe that a well functioning system of transnational employee involvement and co-operation between employer and employee will also be an effective way of communication between employees and management in the Danske Bank Group – to the benefit of both parties. Employee representatives will be able to act collectively across national borders on matters concerning employees in different countries and the higher level of transnational information and experience sharing between employee representatives will prevent misunderstandings, make it possible to take advantage of synergies and deal with potentially problematic issues at an early stage.

2.1 Danske Bank Group

From the foundation in 1871 and for more than 125 years Danske Bank only operated in Denmark. But since 1997 internationalisation has happened quickly. In 1997 and 1999 Danske Bank started doing business in Norway and Sweden and in 2005 Ireland and Northern Ireland were included in the business area. After the acquisition of Sampo Bank in 2007, the Danske Bank Group is present in 15 countries 13 of which are members of the EU. The Danske Bank Group has a total of close to 24.000 employees. More than 90 percent of these are working in the 9 countries represented in this project: the 6 participating countries – Denmark, Finland, Ireland, Norway, Sweden and UK (Northern Ireland) – and the three Baltic countries that the project gathers knowledge about.

Although Danske Bank Group is a multinational group it is a Danish company with central management functions and the majority of the employees based in Denmark. This also means that the business model is developed in Denmark. Integrating banks in other countries naturally offers challenges and possibilities of cultural and structural character, which should be a focus point for employee representatives and of the employee – employer co-operation system. Taking advantage of the possibilities of cultural multiplicity rather than focussing on the potential barriers is a highly prioritised concern for the Danske Bank Group as well as for the employee representatives.

2.2 Employee involvement

Historically the Danske Bank Group has a high level of employee involvement and a continuing focus on an already well developed Corporate Social Responsibility policy including various employee-issues (see: www.danskebank.com/CSR). In this regard we believe that the Danske Bank Group already provides a good corporate framework for the purpose of this project. The Group's active participation in this project accentuates the interest in a constructive co-operation.

Employee representation has until recently been a matter of national issues. Thus it is not surprising that the vast majority of employee representatives have their focus on national issues and only very few are directly involved in international matters. With the internationalisation of the financial sector in general and in our case the Danske Bank Group, decisions are made that affect employees transnationally. To match these trends there is a need to give local employee representatives a deeper understanding of certain aspects of the internationalisation that the company is undergoing – especially in the field of employee involvement and employer – employee co-operation. And to create a well-balanced relationship between the partners it is important that the employee representatives – primarily those constituting the transnational employee representative body – obtain relevant competences through the project.

2.2.1 Transnational Works Council

On the transnational level, the Danske Bank Group and the unions representing employees in Danske Bank Groups undertakings in Denmark, Norway, Sweden, Ireland and Northern Ireland agreed to form Danske Bank Groups Works Council in November 2005. The employee representatives from Sampo Bank in Finland will participate in the future.

The object of the Works Council is to enhance the Groups' and the employees' access to information and consultation about issues affecting the Group in all five countries plus Finland. The Danske Bank Group Works Council is not a decision-making forum.

2.2.2 Transnational employee representation

The trade unions representing the employees of Danske Bank Group in the six countries mentioned have recently formed Danske Union to share information and experiences, work with issues of common interest and enhance access to information and consultation about issues affecting the employees in all six countries. In this forum it has become obvious that union traditions differ between countries. Integrating Irish and Northern Irish traditions with what was a Scandinavian undertaking is thus a big challenge. And it is now the intention to become prepared to support initiatives of employee representation or formalized co-operation between employees and employer coming from within Danske Bank Group undertakings in the Baltic Countries – being aware that this will present an even greater challenge. Becoming represented in the transnational employee representation could be an example of such an initiative.

The members of Danske Union agreed on preliminary terms of reference in December 2006. The transnational employee representative body is thus still very young. The intention however is to become a transnational employees' representative that will mirror the internationalisation and professionalism of the Danske Bank Group – to the benefit of the employees and to the benefit of the Danske Bank Group as a whole. And it is the aim, that this role of the employee representative body becomes well known and appreciated in the local trade unions and in the relevant parts of the Danske Bank Group. It has become apparent however, that achieving this position and the knowledge and competences necessary is a major task for the members of Danske Union. Organizational and cultural differences are amongst the aspects that will take time and effort to come to terms with.

2.2.3 National structures of employee – employer co-operation

The traditions, structure and functioning in the different countries are quite different. Different national traditions and understandings regarding the co-operation as well as the number of years

that an undertaking has been part of the Danske Bank Group have a big part in this. The trade union traditions in Ireland and Northern Ireland are in some regards quite different from the Scandinavian. And in the Baltic countries employee representation is virtually non-existing and national systems of informing and consulting employees are very far from being well developed.

3 Aim

It is on this background that we propose a project aimed at improving co-operation between employees and employers in Danske Bank Groups' different countries. This is an objective on the transnational level but also on the national level in the sense that the national unions will be more competent in their national issues by being supported by the other national unions. A very important part in this is achieving a smooth and efficient system of co-operation and support among employee representatives from the different countries. The project has the following aims:

- That employee representatives and representatives of the Danske Bank Group investigate, discuss and define the best possible structure and areas of focus for a transnational works council within the Danske Bank Group.
- To investigate the challenges connected with – in the long run – having all undertakings of the Danske Bank Group are represented in this works council.
- That the best possible structure and areas of focus for a transnational employee representative system are defined. In this regard it is an aim that the transnational representative system is qualified and strengthened, so that it can act as a competent representative of employees across national borders and as a competent partner to the management of the Danske Bank Group on transnational matters.
- To support the improvement of systems of information, consultation and participation of employees within Danske Bank Groups undertakings by developing the co-operation and information sharing between the individual local national unions.
- That the transnational employee representative system has knowledge regarding the situation of employee representation in the Baltic countries. We believe that formalization and improvement of co-operation between employees and employer has to be initiated on the basis of local needs, wishes and initiatives. The role of the transnational employee representative body is to be ready to support such initiatives if needed.

We intend to achieve these aims through a project which gives the employee representatives in Danske Union, their colleagues in the local unions and relevant management representatives of the Danske Bank Group the possibility of forming a common platform based on information, education and training. This is described in detail below.

4 Building blocks

To achieve the above mentioned aims, the project will engage employee representatives and representatives of the Danske Bank Group management in investigations and discussions regarding different issues of the employee – employer co-operation in a multinational company. The overall structure and legal framework will be the *relevant EU-directives*. Focus on *cultural differences* will ascertain that participants continuously are aware that colleagues might view a situation or an issue

differently. The *visions and experiences* of the employee representatives and the Danske Bank Group management will be the actual substance to build the employee – employer co-operative system around. *Experiences from other multinational companies* and transnational employee involvement structures will be inspirational and instructional input. And *expert knowledge* will be a central element of all seminars.

Involving many stakeholders is important to ensure a high level of representation in the achievements of the project and to ensure that the ownership of these achievements is shared amongst many. And the production and dispersion of relevant information will make sure, that employee representatives, management and employees at all times will be informed about the project and its results.

4.1 Directives

The project will impart knowledge regarding the directives 94/45/EC and 97/74/EC on European works councils and the directive 2002/14/EC on establishing a general framework for informing and consulting employees in the European Community to the target groups mentioned below. We see a fundamental knowledge of basic ideas and legal aspects of these directives as the necessary foundation on which to build well functioning systems of transnational employee involvement and to create a fertile environment for the creation of national employee involvement systems where such do not exist at the present.

4.2 Visions and experiences from employer and employee representatives

The employee representatives and the Danske Bank Group have past experiences with and visions for the employee – employer co-operation. The project will make sure that these visions and experiences will be shared amongst the participants as the substance on which base and shape the future employee – employer co-operation. Knowing each others' views on past experiences and visions for the future – although they might be different – will qualify future co-operation. The definition of future areas of focus for the transnational co-operation will also benefit from this discussion.

4.3 Experiences from the outside

Other companies have gone through similar processes to the one that the Danske Bank Group is going through. It will be both inspirational and instructional to learn from the experiences of another company in which employee representatives have managed to set up a well functioning transnational system of employee representation and employee– employer co-operation. We believe that relating own visions and experiences to those of another company and employee representative system will prove productive to the discussions and to the effort of establishing a common ground.

4.4 Cross cultural understanding

Bringing different traditions, organisational structures, views on the employee – employer co-operation and many other differences together can create synergies such as improved organisational structures and alternative problem solving solutions but also problems such as misunderstandings, suspiciousness and the creation greater barriers. The project focuses on cross cultural understanding so that the involved become able to use the synergies and handle the potential problems.

4.5 Expert knowledge

On all matters – EU-directives, Cross cultural co-operation, the Baltic situation, etc. – experts will be brought in as lecturers or otherwise.

4.6 Involvement and creation of ownership

Few employees and few employee representatives have knowledge of or focus directed towards transnational matters. The Danske Bank Group and the financial sector in general is becoming ever more internationalised and globalised which affects more and more employees. It is therefore of great importance that employee representatives are aware of this trend. And creating and witholding a well consolidated and effective transnational employee involvement system depends on a certain level of involvement and knowledge within a wider group than just the small group of employee representatives who today deal with transnational matters. We therefore find it essential to involve all the employee representatives in the six countries mentioned at the main conference. In the same way it is important that the central management of the Danske Bank Group is represented throughout the project. Finally the project intends to involve employees generally through the dissemination of information.

There is an ongoing process of decentralization within the national trade unions, meaning that the local company unions gradually are becoming more influential. This process is creating new relations of co-operation between the parties and precisely because it is a process and not a change to be implemented overnight, representatives from the national trade unions will be invited to participate in relevant parts of the main conference, as they will also be informed about the project as it proceeds.

4.7 Information

The sharing of information is vital to the project. It is important that the information about the project and the themes of the project are made available to all who might have an interest. It is also important that the information is made accessible in the way that it is communicated – language, amount, frequency and so on. Newsletters will be produced as the project unfolds and these will be published on a web site that will be created early on in the project. The project also intends to use other channels to disseminate information regarding the project. These might be the web sites of the national unions and the Dansk Bank Groups portal for employees. We will also use NFU's webpage www.nfufinance.org to spread the information.

On the web sites, in the newsletters, in the concluding leaflet and in other relevant contexts it will be stated clearly, that the project is supported by the EU-commission.

5 Target Groups

1. The project intends to train and qualify the employee representatives who participate in the transnational issues. These are the representatives participating in Danske Union and the Danske Bank Group Works Council.
2. Representatives of the Danske Bank Group also constitute a central target group. Primarily the representatives who participate in Danske Bank Group Works Council, but hopefully more relevant representatives of the Danske Bank Group management will be included.
3. The entire boards of the local unions represented in Danske Union will be involved. It is the intention that their input should be part of forming the transnational co-operation.

4. Employees in Danske Bank Group will receive information regarding the project and about the situation of their colleagues in other countries. They therefore constitute a fifth target group.
5. Representatives from the national trade unions (the partners).

6 The project plan

6.1 Project management

Legal representative manager will be general secretary of FSU-DK, Flemming Høyer. Even though Danske Union is not a part of FSU-DK it constitutes the central target group of the project and will therefore form the project steering group. Danske Union will be informed continuously about the project. The person responsible for the project will be political advisor in FSU-DK, John Vagn Nielsen.

The project is planning to cooperate with one travel agency to minimize the administrative work around the project. If every trip and accommodation is booked at one travel agency, the applicant organisation will not need to deal with a lot of bureaucracy for reimbursement. The project will give lists of names that are allowed to travel for the project to the travel agency and the activities will be paid one bill for each activity including travels sent to the project.

6.2 Preparatory phase

6.2.1 Involvement planning

It is important that the employee representatives on the international level, that is those participating in Danske Union, are involved in the planning of the project. Danske Union is already involved in the development of this project. Especially the Danish representatives must take an active role in the planning since they have the most direct contact to the relevant management representatives and the project management in FSU-DK. But it is important that representatives from the other countries are involved in the development and planning of the project.

The first step will be to have a preparatory meeting with delegates from Danske Union and a couple of trade union experts. The preparatory meeting will be held in Copenhagen.

6.2.2 First seminar

A first seminar will be held on the 3rd and 4th of December 2007. At this seminar the main stakeholders will be brought together to be trained and informed about the EU-directives constituting the framework of the project and discuss their visions for employee-employer co-operation in the Danske Bank Group. This will be an investigation into the formal framework of the transnational works council and the transnational employee representative body.

The participants at this seminar will be Danske Union, representation from the management of Danske Bank Group, an expert on the relevant EU directives and one or two trade union experts. The seminar will be held in Dublin and will be conducted in English. Therefore interpretation facilities are not necessary.

6.2.3 Creation of web site

All documentation and information regarding the project will be published on a web site created for the transnational employee representative body. The creation of the web site will include graphical

design. A vital part of the project is that information gets spread amongst employees, and that a database with relevant information and experiences is build, which is the reason for creating a web site. A professional level of administration of the web site during the project is thus important and is included as a part of the project. The web site will show that the project is supported by the EU-commission.

6.3 Main phase – main conference

The main event of the project is a three-day conference from the 14th to the 16th of may 2008. The purpose of this conference is to inform about relevant EU-directives on national and European works councils, to create an understanding and interest for transnational matters and to establish networks across national borders.

Draft program for the main conference:

The focus areas of the conference are

- a) EU directives on national works councils and European works councils and national specific labour law in relevant EU states.
- b) Visions, strategies and experiences of the Danske Bank Group and employee representatives regarding issues relevant for employee-employer co-operation. This can include personnel policy, business strategies, areas and forms of negotiation, CSR-policy etc.
- c) Experiences from other companies and employee representative systems regarding transnational co-operation.
- d) Cross cultural co-operation – cultural differences.

The participants at the conference will be:

- a) the elected employee representatives from the local unions representing employees in Danske Bank Groups undertakings in Norway, Sweden, Finland, Ireland, Northern Ireland and Denmark.
- b) Representatives from the Danske Bank Group management.
- c) Representatives from the trade unions (the partners)
- d) Experts, project management and others.
- e) Interpreters

The seminar will involve all participants actively. Presentations will thus only be a part of the seminar. The reason that the project focuses on active involvement of the participants is that the future system of employee – employer co-operation must be build on the input of all main stake holders. This will create the best possible results, and very importantly it will ensure that the present and future stake holders will feel ownership and responsibility for the future co-operation. The support of the stakeholders is furthermore very important towards the aim of the transnational employee representative body being able to act collectively and as a unified actor on behalf of employees transnationally.

The lunches, dinners and evenings will give the participants the possibility to get to know each other in a more informal way and establish contacts. These settings will thus be where the face – to – face relationships necessary to create fruitful networks will be established.

The seminar will be conducted in English. Most participants will have sufficient English skills to participate and benefit from the seminar, although some of the Finnish delegation will need interpretation. Therefore it's necessary to make interpretation English-Finnish.

The seminar will be held in Denmark, not too far from Copenhagen.

6.4 Follow up

The follow up phase will consist of meetings with management and employees in the Baltic countries, the production of a final report and the distribution of results of the project.

6.4.1 Arranging seminar on the situation of employee representation in the Baltic countries

An important activity in the follow up phase consists of a seminar focussing on the situation of employee representation in the Baltic countries. This seminar must be arranged by members of the employee representative body and secretarial assistance.

6.4.2 Seminar on the situation of employee representation in the Baltic countries

At the seminar experts will give presentations aimed at giving the participants an understanding of the situation of employee representation in the Baltic countries. People involved in the very recent development of unionization in these countries will also be invited. And possibly an employee of the Danske Bank Group in one of the Baltic Countries will be give his/her version of the perspectives of formalized systems of employee – employer co-operative systems.

Besides the lecturers and presenters from the Baltic countries, the participants will be members of the transnational employee representative body, a representative of the Danske Bank Group management with responsibility of the co-operation with employee representatives and partners in the project.

The knowledge obtained at this seminar will enable the participants to support possible initiatives amongst colleagues in the Baltic countries in the future and it will create a foundation on which to make decisions regarding future dealings with these colleagues. This might lead to a second year of this project focussing on the formation of employee representative systems and a possible inclusion of these in the transnational structures.

The seminar will take place in Vilnius in September 2008.

6.4.3 Final report and distribution of results

A final report regarding the course and the results/achievements of the project will be written in the follow up phase. It is important that the experiences of the project are disseminated and that they are made accessible to all who might be interested. See section 6.6 for more on this matter.

6.5 Ensuring the continuity of the project

It is the intention that stake holders are aware of the project continuously and not only when they are actively involved. This will be ensured by the publication of newsletters, orientation from preparing groups to stake holders and by having the project on the agenda in relevant settings such as the transnational employee representative body, the transnational works council and the local trade unions.

6.6 Documentation and dissemination of information

Throughout the project, accessible information about the project and the issues dealt with will be published in the form of newsletters. To ensure the quality and accessibility a journalist will be engaged to produce the newsletters. These will be published on the web site created for the project and will be the central element of the final documentation. Furthermore, information regarding the project will be published on the portal for the Danske Bank Group employees and on the websites of national trade unions and international union organisations (NFU) to make sure that the information reaches potential target groups outside the Danske Bank Group.

The project will make use of relevant experiences from other companies and organisations. In the same way it is the intention that the experiences of this project can serve as inspiration to others in the future. Therefore making the experiences accessible to others is of great importance to the project.

Furthermore a conclusive publication/leaflet will be made to ensure that the conclusions and recommendations are available after the termination of the project. This publication will be made in a form so that it can be used as a tool in the future workings of the employee-employer and might serve as inspiration for other transnational companies going through similar processes.

The support from the EU-commission will be made visible in all publications.

