

Cranfield School of Management

Cranfield Institute of Technology
Cranfield Bedford MK43 0AL England
Telephone National Bedford (0234) 751122
International +44 234 751122
Telex 826559 CITMAN G
Telefax (0234) 751806



**SWP 21/93 THE SOCIAL CHARTER: IMPLICATIONS
FOR PERSONNEL MANAGERS**

TERRY LOCKHART
Human Resource Management Group

and

ANDREW MYERS
Human Resource Management Group

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The Social Charter: Implications for Personnel Managers

**Terry Lockhart
Andrew Myers**

Cranfield School of Management, UK



Introduction

Europeanisation is argued by some commentators as the first step towards global integration. This would involve a great deal of coordination at a European level rather than at a national level "to serve a common cause in culturally, historically, economically, socially, ideologically, and politically heterogeneous environments" (Caproni et al 1991).

The Single European Act, meaning both de-regulation and re-regulation, attempts to facilitate such coordination, by working towards a homogeneous environment. The Single Market is open for 'big business'. It has been perceived as a process towards de-regulation by creating a freer market through the breaking down of fiscal and physical barriers. However, part of that process has been re-regulation of some industries on a European level. The liberalisation of the financial services, for example, has brought about re-regulation on a European scale. As the Single Market takes shape, personnel decisions will become increasingly important for competing organisations, as recruitment and training and development will need to be analysed at a pan-European level.

The Social Charter was developed subsequent to the Single European Act. Politicians have proposed that it is a way of ensuring that a Single European Market is not seen as just a 'big business' Europe. It is an attempt to raise both standards within and expectations about the European Community in terms of the Commission's proposals relating to: working hours/shifts; use of part-time, temporary, fixed term contracts; health and safety; the equal treatment of men and women; and procedures for consultation and participation of employees.

This article is divided into three sections. Firstly, it explores the background to the Social Charter and other EC social policy initiatives. The second section reports on some findings of the Price Waterhouse Cranfield Project. Data from over 5,000 personnel/HR managers across Europe are analysed in relation to the Social Charter, and whether it will have an effect on organisations' human resource management practices in specific countries. The results also compare the attitudes of European organisations in the wake of the Maastricht negotiations in December 1991. The implications of the Social Charter on human resource management are dealt with in the third section.

Background to the Social Charter

The purpose of the Single European Act was to speed up the process of economic integration and to facilitate the creation of a unified market for the free circulation of goods, services, capital and labour. The early emphases of the move towards the Single Market were in the first three areas. It was the lack of attention to the implications of the latter category - free movement of labour - and the fear of worker exploitation and the diminution of workers' rights that gave impetus to the Charter of Fundamental Social Rights for Workers (the *Social Charter*).

The Social Charter was adopted by the Council of Ministers on 8 December 1989 in Strasbourg with the agreement of all member states except the UK. It was largely a by-product of the Single European Act and the efforts to create a Single European Market in the climate of an economic boom period in the mid- to late- 1980s. The Social Charter was thereby meant to create and ensure social cohesion and protect workers' rights. In such a climate member states were more receptive to supranational initiatives such as this.

The lack of attention to the human resource aspect of the Single Market process and the fear of social dumping became a focus of both the European Trade Union Confederation and the European Parliament. In this sense, we would maintain that the Social Charter was reactive in that it was a response to the perceived social pressures of the Single Market. However, it was also intended to address social pressures in a positive way through the legislative process.

Intervention in the field of industrial relations is not a foreign concept for the Continental member states of the EC. For most member states the concept of the state functioning as an actor with a central role in industrial relations and constitutions guaranteeing a body of rights and freedoms for citizens are fundamental to a democratic government. Most member states have comprehensive employment legislation in areas such as working time, workers' representation and rights of consultation and participation. The linking of economic and social policy is typically Continental European. However, the UK has rather distinct traditions of industrial relations in which there is minimum legal interference, with the state assuming a relatively limited role.

Two important institutional changes took place as a result of the Single European Act and which furthered the activity on the social policy front. These were qualified majority voting in the Council of Ministers on proposals deemed essential to complete the Single European Market (Article 100A) and on measures to improve health and safety and the working environment (Article 118A). Both of these articles were designed to improve the efficiency of the decision-making process for the creation of the Single Market. Much of the progress towards the Single Market by eliminating trade barriers has been because decisions could be taken by qualified majority vote. Some supranational activity, therefore, has been accepted as a requirement of freer markets in Europe. That these articles came to be applied to 'social policy' and that the Social Charter arose out of the application of the Single

European Act begs the question of the extent that implementation of the Single European Act was to be an integrative process and if so, what activities were to be integrated. Early commentators focused on the market aspects of the Single Market initiative. The stimulus for the Single European Act came from European industry. It was not from pressure by European federalists that brought about the Single European Act, but from industrialists committed to creating economies of scale in order to compete with the North Americans and Japanese.

We would argue that '1992' was never intended to be about the integration of Europe in the areas of social policy and industrial relations. It is more likely that the principal aim of creating a more economically competitive Europe by way of an integrated market was writ larger by proponents of deeper European integration than was intended by the free market supporters of the Single Market. However, given the social partnership tradition in most European countries and the inclusion of free movement of labour as one of the four pillars of the Single European Act, this application, or misapplication as some would maintain, of the Single European Act was perhaps inevitable.

The Social Charter covers twelve broad categories of principle aims as illustrated in Figure 1 below.

Figure 1: Principle Aims of the Social Charter
<ul style="list-style-type: none"> ▪ The right to free movement of workers throughout the European Community ▪ Employment and remuneration including equitable wages, terms of employment and public placement services ▪ Living and working conditions including working time arrangements and atypical contracts ▪ Social protection (that is, social security benefits) ▪ Freedom of association and collective bargaining (primarily between employers and employers' associations and trade unions) ▪ Vocational training ▪ Equal treatment for men and women ▪ Information, consultation and participation for workers in companies or groups of companies having establishments or companies in two or more member states. Such information, consultation and participation might concern the introduction of new technologies which have major implications for the workforce; restructuring operations; collective redundancy procedures; and employment policies affecting transfrontier workers ▪ Harmonisation of health protection and safety at the workplace, with particular account taken for training, information, consultation and participation of workers ▪ Protection of children and adolescents in employment (for example, minimum employment age; equitable remuneration; and vocational training) ▪ Elderly persons (for example, pensions and medical and social assistance) ▪ The social and professional integration of disabled persons

Social Action Programme

The Social Charter itself does not have legal status, rather it is a statement of intent. It is accompanied by a Social Action Programme which is intended to implement the principles of the Charter. The Social Action Programme is a list of 49 "initiatives" intended to bring the Charter into effect. The initiatives vary widely in importance and impact, from Recommendations (that is, proposals which are not binding on member states) to Directives which must be written into national law (see Lockhart and Brewster 1992). Some are merely proposals to collect information on employment issues. The 21 non-legislative measures include initiatives to create a fund of knowledge on the European labour market (for example, compilation of reports on the employment situation); recommendatory initiatives have to do with issues such as social security, migrant workers, childcare, sexual harassment and financial participation. The 28 legislative measures include the Directive on the protection of pregnant women at work and the proposed atypical workers' Directive. The measures vary in their novelty; for all intents and purposes some are a reworking of proposals from the mid-1970s. However, the impact of the Social Action Programme, if implemented, will be considerable (Lockhart and Brewster 1992). If the Social Action Programme is implemented, then member states will be subject to EC legislation which will greatly influence national industrial relations practices and policies.

Towards Wider Opinion

It is clear that the Social Charter is intended to have a positive impact on employment practices and policies. However, are the views of personnel/human resource managers who have to implement many of the measures in the Social Action Programme really taken into account? To answer this question we need to ascertain the opinion of personnel/human resource managers towards the Social Charter - to gauge their perceptions of it. Questions on this issue were included in the Price Waterhouse Cranfield survey.

The Survey

The survey, carried out in 1991, is based on a postal questionnaire covering major areas of human resource management. The questionnaire was developed with the cooperation of academic institutions in each of the following countries: Switzerland, Germany, Denmark, Spain, France, Italy, Norway, the Netherlands, Sweden and the United Kingdom.

In 1990/91 the questionnaire was tested, translated and distributed to a broad sample of personnel directors in the ten countries mentioned above. 6300 organisations responded across all ten countries, of which 5449 were usable responses. In broad terms the responses are representative of the employment size, country of origin and sectoral distribution of the economy of each participating country.

Human resource management practices are influenced by national legislation, labour markets and national culture and the results of the survey can only be understood in this context. To this end a national panel of practitioners worked closely with the academics in each country, making a valuable contribution to understanding current practice. One of the issues looked at in the aforementioned questionnaire is Human Resource Management's attitudes towards the EC Social Charter.

The data in this research were gathered prior to the Treaty on European Union and the "Social Protocol" and there was therefore no chance of respondents misunderstanding the distinction between these and the Social Charter.

Initiatives continue to come forward from the Social Action Programme of the Social Charter. It is with the impact and the perceived effects of the initiatives emanating from the EC Social Charter that we are concerned in this analysis.

Analysis of managers' perceptions on the impact of the EC Social Charter both on their organisation as well as in the areas where those effects are most likely to prevail are reported here. Respondents were asked to indicate whether they think that the EC Social Charter will have a 'positive' or 'negative' effect on their personnel or human resource practices. The first analysis is based on a cross-country comparison.

Country of Operation

Less than 45% of personnel/human resource managers, across all EC member countries, are entirely positive towards the EC Social Charter. Table 1 shows the notable variations in terms of those managers responding positively towards the EC Social Charter. Managers in Denmark and Norway have the greatest tendency to register the lowest positive response rates; however, managers in Germany, France, the UK and Switzerland also score less positively. Spain, Italy and Sweden are generally more positive towards the EC Social Charter. Such variations amongst the EC member states (and potential EC members) could suggest that differentiation rather than integration is the order of the day.

The negative responses towards the EC Social Charter are small and vary between 1% and 10% across all countries. However, there is a low positive response by Danish (8%) and Norwegian managers (7%). A number of reasons can explain this. In Norway there is a significant level of resistance to the EC. In Denmark the response can be partly attributed to the generally high resistance to legislation in the employment field. The responses in these two countries are also partly a function of the already high levels of social protection and, significantly, is a reflection of the overall uncertainty of any EC issue. Such uncertainty is reflected in the high percentage of 'don't knows' (57% and 61% respectively). This perception is expressed despite the fact that the governments of the EFTA member states (which includes Norway) have made clear their support for

a 'social dimension' to the European Economic Area (EEA) in an appendix to the EEA Agreement. Support for the Social Charter is also expressed in this declaration.

Table 1: Impact of the Social Charter by Country (%)

	Country									
	CH	D	DK	E	F	I	N	NL	S	UK
Positive	18	17	8	40	28	43	7	21	52	27
Positive and Negative	76	45	32	41	35	25	29	31	40	52
Negative	6	4	4	1	2	1	2	1	8	10
Don't know	n/a	34	57	18	35	31	61	47	n/a	11
Chi-Square value = 874.256, significance = 0.00000										

The Latin European countries Spain and Italy, however, are two of the most positive countries (40% and 43 % respectively) towards the perceived impact of the Social Charter. For similar reasons that the Danish and Norwegians are less enthusiastic about the impact of the Social Charter the Spaniards and Italians demonstrate a positive perception. Spain and Italy both have comparatively less well developed social provisions and at the same time see their future firmly in Europe. The right to free movement of workers throughout the European Community is seen as a positive step by one Italian personnel manager:

"Increased competition in professional terms and increased geographical mobility will render the market more flexible"

What may seem an anomaly is the Swedish response at 52%. This is due in part to the fact that in the survey 'don't know' was not an option. However, the debate on EC membership has also been vigorous in Sweden and has raised general awareness. Enthusiasm for the Single Market specifically and EC membership generally may explain some of the positive perceptions about the Social Charter.

An interesting observation from Table 1 is that the Swiss have a large percentage answering with "positive as well as negative" (as don't know was not an option in the Swiss questionnaire) attitudes towards the Social Charter. Reasons for this can be identified. Positive aspects of the Single Market process can be seen in two areas. Firstly, there is the socio-political dimension of the opening of Switzerland towards the EC and its ideas and ways of doing business. The 'opening of Switzerland' offers the chance of rethinking Swiss habits and the integration of comparative strengths of other nations. The second area arises out of the hope that the EC can help to overcome obstacles in Switzerland for effective personnel management. The employment situation for foreigners might become easier and therefore the lack of qualified/skilled employees can be solved.

"All the stupid barriers concerning the work permits of foreigners will fall. Different European employers will have a positive impact on the Swiss labour market." (Swiss Retail/Distribution company)

The negative aspects of the Single Market process, which are likely reasons for the Swiss voting against joining the EC, are mainly seen as potential difficulties for what the Swiss see as strengths: such as pragmatism, the federalist system and relatively little legislation (Hilb and Wittmann, 1992). This goes along with the fear that EC membership would replace these by large centralised bureaucratic structures which would limit the freedom and creativity of companies. Indeed, legislation is of particular concern to one Swiss respondent who felt that

"The EC should try hard to create laws that are the same for all member countries (because of the danger that one member country can discriminate against others). We're not anxious about new laws, we're anxious that they are not enforced in an equal manner against all members." (Swiss Manufacturing company)

The debate on the EC Social Charter has been perhaps most contentious and public in the United Kingdom. The UK was the only EC member state not to sign the 1989 Charter and the debates amongst the political parties and employer and employee representative organisations continue to be intense. In this context it is perhaps interesting that 27% of personnel managers in the UK were positive towards the Social Charter, scoring higher than Germany, Denmark, the Netherlands, Norway (who are more likely to be uncertain) and Switzerland. The UK also scores highly on 'positive as well as negative' (52%) in their attitude towards the EC Social Charter - an indication of contentiousness. Yet, of all the countries, the UK does show the highest percentage of negative responses in this survey (10%). The UK, therefore, provides a useful insight into attitudes of personnel managers.

United Kingdom

Even if the overall attitude is relatively positive, there are a number of areas in which personnel managers in the UK express concern. These concerns can be categorised broadly under the following general headings and are expressed in comments made by some respondents culled from the survey.

There firstly is the concern over the lack of information and awareness of the EC Social Charter which could highlight poor communication from Brussels or from the government in the United Kingdom:

"The Social Charter has been little promoted in the UK from what I can gather, although I have seen some guidance booklets indicating what is likely to become law within the EC. Nevertheless knowledge of the Social Charter amongst my personnel colleagues in local government remains patchy."

A number of companies feel that the EC Social Charter is presented as an imposition. For many Brussels may have been forging ahead at too fast a pace, perhaps without considering the effect it would have on those who did not have an input. For others there is the added concern over the lack of consultation:

"Unfortunately the Social Charter is being presented to British people as an imposition rather than a document to which we have an input. To date some of the directives (for example, part-time working, temporary contracts) may impact directly on many organisations with cost implications, but it also requires a degree of standardisation in order to compete fairly in the Single European Market."

It is in the areas of bureaucracy, and notably cost and competitiveness that the majority of concerns arise as the following comments reveal. The recession may have exacerbated this perception:

"Whilst there is little in the Social Charter with which we would take issue in principle, we are concerned that imposing not only what should be done but the way things should be done could increase bureaucracy, reduce cost effectiveness, and because of different national cultures, actually reduce team feeling. Some of the thinking on shift working could seriously affect competitiveness."

"The Social Charter will have bad effects on my company in: making decision-making more complex and slower; making work changes (for example, new line introductions, meeting increased demand); adding cost; and, increasing bureaucracy."

"The Social Charter is seen as imposing unnecessary additional costs and limiting the flexibility of the business to change."

"I think much of what is trying to be achieved through the Social Charter with regard to working time and atypical work is restrictive and will ultimately lead to less flexibility and a lack of competitiveness for companies within the European Community."

A number of companies report significant implications for working practices:

"The Single Market Social Charter will not be to the advantage of our industry. There are serious implications regarding night and shift work and part-time employees which are neither attractive to the employee nor the employer."

"It is still too early to judge the full implications of the Social Charter on our business, but from information published we are uneasy on the following issues: working time/maximum working week, night work and weekend working; worker participation in the supervision and strategic development of the company; and the definition of an 'equitable wage'."

Another concern is the effect on industrial relations; some see the directions from Brussels as a backward step:

"Traditional trade union viewpoint will seek to gain the best of Social Charter initiatives to improve their bargaining position. [The Social Charter] could erode gains made in employee relations in recent years."

"The UK has seen some major positive changes in the way in which businesses have been managed, mainly due to the reduction in power of the trade unions and greater confidence of managers. The trend towards a more socialist approach of the Charter could have a detrimental effect unless there is an increase in responsibility of trade unions."

Areas of Impact

Personnel managers in the UK were not the only ones asked to consider specific topics: respondents in all countries were asked in what areas the EC Social Charter would affect their personnel and human resource practices in terms of the Commission's proposals relating to: working hours/shifts; use of part-time, temporary, fixed-term contracts; health and safety; the equal treatment of women; and, procedures for consultation and participation of employees. These Commission initiatives along with responses from the survey are summarised in Table 2 below.

Table 2 highlights a number of variations, especially when comparing EC with the non-EC countries.

- A larger proportion of respondents in non-EC countries feel that EC initiatives regarding working hours/shifts will have an impact on their organisation compared to those in EC countries. For example, 74% of Swedish, 63% of Swiss and 60% of Norwegian organisations indicated that EC proposals on working hours/shifts would have an impact on their personnel and human resource practices compared with 31% of Italian and 33% of Dutch managers.
- Organisations in Italy, France and Spain are more likely to feel that the legislation on part-time, temporary, fixed-term contracts will have an impact (70%, 63% and 62% respectively) compared to organisations in non-EC Sweden and Norway (47% and 55% respectively). This is to be expected given the high use of temporary and fixed-term contracts in Italy, France and Spain, and the comparably high level of employment protection in Sweden and Norway. (Brewster, Hegewisch, Lockhart and Mayne, 1992)
- Personnel managers in Italy, UK and Spain are more likely to feel that procedures for consultation and participation of employees will have an impact (76%, 72% and 63% respectively) compared to organisations in non-EC Sweden, Switzerland and Norway (43%, 46% and 53% respectively).

Table 2 also shows that:

- Proportionately, more than twice as many Spanish (maybe due to costs) and Norwegian (perhaps they believe that it will mean a lowering of standards) managers feel that health and safety regulations will have an impact (76% and 70% respectively) compared to German and Swiss managers (32% and 33% respectively).

- A greater percentage of UK and Swiss organisations feel that the equal treatment of men and women will have an impact (66% and 58% respectively) compared to French and Danish managers (21% and 28% respectively). The UK has been affected by EC legislation and court decisions on equal treatment of men and women in the past and may feel that it will have an impact in the future because of this experience. In Denmark and France there are strict laws governing equal treatment of men and women.

Table 2: Areas of impact of the EC Social Charter by Country (%)

	Country									
	CH	D	DK	E	F	I	N	NL	S	UK
Working hours/shifts	63	59	58	45	53	31	60	33	74	58
Use of part-time, temporary, fixed-term contracts	40	53	47	62	63	70	55	36	47	47
Health and safety	33	32	65	76	49	58	70	43	57	68
Equal treatment of men and women	58	50	28	46	21	40	34	54	31	66
Procedures for consultation and participation of employees	46	43	37	63	54	76	53	42	43	72

We can conclude briefly at this stage that there appears to be a lack of consensus as to the effect the Social Charter will have on organisations and their HR management practices. The Maastricht Treaty and various referenda across Europe have created feelings of uncertainty and confusion towards the Social Charter and its implications. The inconsistency of opinion could question the way we interpret the referenda across various European countries - what was the issue being debated?

The Maastricht Treaty

The negotiations leading up to the Treaty on European Union were concluded at the European Council in Maastricht, The Netherlands in December 1991. If approved by each member state through their own legislative processes, this Treaty will provide the second set of constitutional amendments to the Rome Treaty.

The Treaty included three major policy areas: economic and monetary union; foreign policy and political union; and social policy. Discussion on social policy proved to be the most contentious of all during the Maastricht Council. The Social Chapter of the Treaty was relegated to a special

protocol, the "Maastricht Protocol" , as it became known, (sometimes called the "Social Protocol") appended to the Treaty on European Union. The UK government "opted out" and did not sign the protocol section of the agreement. Therefore, the Treaty now stands with two main headings: economic and monetary union; and foreign policy and political union.

The "Maastricht Protocol" leaves the Rome Treaty untouched. Under the terms of the agreements, social policy proposals will continue to go forward as usual. However, if the UK objects to a social policy initiative the other eleven members will follow a mirror image procedure to bring about the legislation. The protocol agreement allows qualified majority voting on the following: health and safety; working conditions; information and consultation; equal treatment and equal opportunities; and integration of persons excluded from the labour market. Some of the Social Action Programme initiatives would fall into these categories.

There is currently some confusion over where the Social Charter stands in relation to the Treaty on European Union and the Social Protocol. The Maastricht Treaty contributes much of the uncertainty about the EC and the implementation of the Social Charter today. Being aware of the wider public debate across Europe is crucial to understanding the attitudes towards the Social Charter.

Discussion

In terms of the prospect of the EC Social Charter and its effect on organisations there are two key observations that can be made.

First, personnel managers are not as positive towards the Social Charter as expected, especially as it was viewed as a positive outcome of the Single European Act. Poor communication of objectives from Brussels - not letting people know what is being done and how it is being executed - leaves individuals and organisations with the feeling of initiatives being imposed - a *carte blanche* approach. These sentiments were expressed in open-ended responses on the Single European Market and the Social Charter in the survey. Poor communication also leads to uncertainty amongst HR practitioners across Europe: those who are having to implement policies. This has been true for the Maastricht Agreement as much as for the Social Charter. Brussels will need to have a more sympathetic ear after the "1992" experience and the ensuing debates on subsidiarity. However, the debates around the Maastricht Agreement have called into question how much public support there is for other EC policy initiatives including the Social Charter.

Second, is there a European perspective? If so, we should find similarities of view towards the Social Charter. There are variations in managers' attitudes across different countries - Swedish managers are the most likely to be positive. Norwegian and Danish managers are the least likely to be positive. The views towards the Social Charter are so varied across Europe that it is not possible to generalise

about a European view. There are few, if any, similarities across countries. The explanation for this is the diversity of legislation and tradition found in the countries that took part in the survey.

Because we find so few similarities in attitude towards the Social Charter as well as in national HR practices and policies there is not a pan-European perspective we can identify. This is confirmation of the continuing large differences in employment legislation, collective bargaining, political and economic circumstances. The Social Charter is aimed at creating greater homogeneity here but certainly has a long way to go. Hence it would be hard to prescribe to personnel managers a European HR strategy for the Social Charter initiatives. Whether personnel managers have positive views towards the Social Charter or not depends largely on the culture of the organisation and the HR policies and practices already in place in that organisation. Pan-European HR policies would not make sense so far. Organisations may be able and advised to develop ad hoc European HR strategies, areas like recruitment or management development, but for working practices this is not yet justifiable for the vast majority of organisations. This is both because of national differences and also the uncertainty surrounding the Maastricht Agreement and the implementation of the Social Protocol.

Perceptions that the UK was 'dragging its feet', because of political influence, appears to be a misconception. Clearly, other European managers are now questioning the same issues that UK managers have highlighted. Whatever the final outcome of the Treaty on European Union, the significance appears to be that a precedent has been set for a "two-tier" Europe by the UK: for not signing the Social Charter in 1989; and opting out of the Social Chapter at Maastricht. This may indicate why some respondents in the survey are more positive and/or negative towards the Social Charter.

There are those member states and potential member states for whom the European Community is synonymous with the Single European Market and not a federalist Europe. This would include the UK, Denmark, Sweden, Finland, Austria, Norway. The Single European Market will continue to be attractive for both current EC members and applicants as well as the developing East European democracies. Other member states view the EC in terms of an integrative process reaching beyond a common market (France, Germany, Italy, Benelux, Spain). Therefore, it is likely that the EC will develop a more flexible arrangement whereby members opt in or out of different policy areas. We may even see the formalised development of core and periphery EC members.

Until more is known about the outcome and transposition of the Maastricht Agreement it is difficult to see how social policy will develop. For early 1993 we are looking at a policy process in place which pre-dates Maastricht. There is little likelihood of major social policy initiatives coming forward in the current climate of subsidiarity unless there is a clear link to the Single European Market.

Jacques Delors' *l'espace sociale* initiatives of the mid-1980s placed the social partners at the centre of EC thinking on social policy issues. This application of the Single European Act to areas far beyond what many Single Marketers deemed desirable or within the scope of the original intentions could be cited as a major cause for the reluctance by some to embrace the Maastricht Agreement and the renewed emphasis on the concept of subsidiarity. Subsidiarity, as enshrined in Article 3b of the Maastricht Agreement, is the concept that the EC will act in areas outside its exclusive jurisdiction "only insofar as the objectives of the proposed action cannot be sufficiently achieved by the member states".

It would seem that the Social Charter has not been as successful, or seen in a positive light, as it was intended. There are several reasons for this.

- First, the prolonged recession of the early 1990s, where organisations are looking to cut costs, has led member states to look more inward, focussing on domestic economic problems. The recession has not promoted deeper integration and in many ways has been a disintegrative force. Cyclical forces have proven to be stronger than institutional arrangements.
- Second, the new debates brought on by the Maastricht Agreement have fuelled discussions on the role of the Commission and jurisdiction of the EC policy-making apparatus. Referenda on the Maastricht Agreement in several member states (notably Denmark and France) have activated a public debate that is more far reaching than any to accompany the Single European Act.
- Third, uncertainty about the future shape of the European Community has been highlighted. The first two factors along with the influences of domestic policy, global competition and dramatic changes taking place in a post Cold War Europe have brought a great degree of uncertainty for governments, organisations and the wider public. Uncertainty around the implementation of the Social Charter is having one of many factors in the macro-environment affecting the ability of organisations to anticipate change.

What does this debate mean in terms of developing and maintaining a European human resource management strategy? Do we still develop strategies for national rather than European level implementation? Much of this will depend on the size, composition and market of each organisation. Whether an organisation is a multi-national or national enterprise will also influence the decision to create a pan-European HR strategy. However, it is clear that the diversity of labour markets, employment law and industrial relations practices to be found in Europe, must be considered when developing strategy.

Integration of HR policy areas is part of a more incremental process than the harmonisation of technical standards to bring about an internal market. In many ways it is easier for organisations to deal with the objective issues of harmonisation and standardisation than the subjective issues of social policy and hence HR policy. HR harmonisation is more an effect of or reaction to other policy initiatives. This was the case with the development of the Social Charter in the first instance. We would maintain that "1992" was never intended to be an integrative process in terms of HRM. Most of the legislation has dealt with other sorts of barriers to competition. Most companies will find that their HR policies are reactive in terms of conforming to employment law. The process of conforming to employment law tends to involve companies reacting to the specification of the new statutes. Companies are only proactive if they want to shape the law.

Organisations should be aware of what is in the Social Action Programme and what its implications are for their operations. Organisations can then act quickly when change occurs. This involves information gathering, keeping in touch with developments at both national and EC levels and being aware of their own practices.

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For further details about the survey, please contact Dr Chris Brewster at Cranfield School of Management, Cranfield Institute of Technology, Cranfield, Bedford MK43 0AL, England.

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