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### **The “Rebsamen” law: reforming the system of personnel representation in the aim of improving performance in French companies**

The French government has endorsed the reflection of the ILO according to which a *“productive social dialogue”* is likely to *“favor labor-related peace and stability and stimulate the economy”*.

In an in-depth impact assessment, the government describes a deficient social dialogue that:

- is inexistent in companies with fewer than 11 employees, for which the law does not require the election of Personnel Representative Institutions (“IRP”);
- is based on rigid and complex IRP operating rules;
- is characterized by *“a culture of defiance”*.

Bolstered by this assessment, Monsieur Rebsamen, Labor Minister, submitted a reform plan to parliament likely to improve labor relations and performance within French companies.

The Rebsamen law on labor relations and employment was definitively adopted by the National Assembly on July 23<sup>rd</sup>, 2015.

It will enter into force shortly.

It is impossible to summarize in a few lines this ambitious text aimed at elected personnel representatives (IRP) as well as labor unions.

Here, we will address a number of measures regarding the “IRP”.

## 1. Access to representation for all employees: the creation of the “CRPI”

### **The current situation:**

In France, companies with fewer than 11 employees do not have Personnel Representative Institutions.

### **The Rebsamen law:**

Joint Regional Inter-professional Commissions (“CRPI”), composed of members elected by employee labor organizations and professional management organizations, will be created beginning July 1<sup>st</sup>, 2017.

Their purpose will be to represent the employees and management of companies with fewer than 11 employees.

## 2. Grouping of Personnel Representative Institutions

### **The current situation:**

Employee representation is divided among several institutions.

In companies with more than 50 employees, the latter are represented by:

- the Personnel Delegates (“DPs”),
- the Works Council (“CE”),
- the Committee on Hygiene, Safety and Working Conditions (“CHSCT”).

Companies with fewer than 200 employees may nonetheless, of their own initiative, decide to combine the Personnel Delegates and the Works Council within one body: Single Personnel Delegation.

The splitting up of IRPs results in a loss in efficiency and entails significant costs.

### **The Rebsamen law:**

**Single Personnel Delegations** will, in the future, be conceivable in companies with fewer than 300 employees.

As they change in size they will, in time, be required to include the CHSCT.

Under an agreement signed with labor unions (“majority company agreement”), in companies with more than 300 employees, representative bodies may also be grouped within a **common body**.

This body will perform all of the duties of the institutions included in the group. All company projects falling under the competence of several institutions will be subject to a single process of notification and/or consultation of the common body. This grouping will make it possible to reduce the number of meetings and expert assessments. It should result in increased efficiency and savings in terms of time and money.

### **3. Simplification of the process for consulting and informing the Works Council**

#### **The current situation:**

There are 17 obligations of recurrent annual consultations of the Works Council.

Obligations to inform (without collecting the opinion of the CE) figure in approximately fifty articles of law.

These numerous and dispersed obligations are the result of a continual accumulation over time. They do not provide stakeholders of the labor-relations dialogue with a global vision, and do not allow a strategic approach of the economic and labor-related policy of the company.

#### **The Rebsamen law:**

The 17 annual consultations will be replaced by 3 consultations dealing with:

- strategic orientations,

the economic and financial situation

- social policy, working and employment conditions.

Certain consultations are to be eliminated: employers will no longer be required to consult the CE on projects regarding collective agreements or on the renewal of profit-sharing agreements or employee savings plans.

Special, extra-ordinary obligations will no longer be presented in a scattered fashion, but will be combined within the Labor Code under the title "*Special consultation and notification of the Works Council*".

### **4. Simplification of the functioning of the Works Council**

#### **The current situation:**

The functioning and methods for consulting the CE follow restrictive rules that very often lead to purely formal consultation.

The CE must meet each month or every two months according to the number of employees in the company (at least 150 employees or not).

#### **The Rebsamen law:**

The threshold above which the frequency of CE meetings passes from bimonthly to monthly is raised from 150 to 300 employees.

Additionally, this frequency may be adapted by a majority company agreement signed with the labor unions, without passing to fewer than 6 annual meetings.

Last, the employer may use video conferencing to gather the CE, and may record the sessions.

These are, briefly, several measures aimed at improving labor relations. Will they contribute to improving the performance of French companies? Only the future will tell. In any case, it is certain that the contours of personnel representation in France will be significantly modified.