Case study summary sheet : ABN AMRO

PN, Sept. 26th, 2006 (version 2)

- ✓ The restructuring of ABN AMRO in France is characterised by the merger of two entities (group subsidiaries), the resulting reorganisation, and the transposition to the entire "France" perimeter of global projects for reorganising the group. This set of operations is part of a logic of adaptation to the currently dominant developments in banking activities: concentration, redefinition of professions in a more difficult market with greater competition, dissociation of the front office from the back office with a strong movement toward "offshoring" of this activity, mainly to India.

- ✓ One of the characteristics of the ABN AMRO case lies in the fact that the restructuring process includes a set of operations. These do not overlap and are therefore spread out over a "long" time (21 months) with identical treatment of the social consequences for each of the operations taken individually. The use of the most recent possibilities provided by French legislation for questions of restructuring (method accord) appears to have encouraged the management to adopt this approach, with the obvious desire to avoid causing conflict in the restructuring process. The choice has clearly been made between the French ("local") management and the trade union organisations for a contractual process on the general principles organising the restructuring and on the concrete methods and details of the various operations. Public actors outside the company are neither involved nor mobilised in the restructuring operation.

- ✓ The "local" management has real room to manoeuvre in adapting its projects. The group management is present, however, "in the background".

- ✓ Negotiations on restructuring methods have, for the moment, strongly reduced the initially-announce number of jobs to be eliminated. The long timeframe for the operations can be explained by the Group's concern to undertake adaptation on a cooperative basis so as to preserve a positive image of ABN AMRO among a loyal, "up-market" clientele.

- ✓ So far, outright redundancies have been avoided through a plan of voluntary departures with compensation. This system is essentially enough for adjusting the number of employees.

- ✓ Regular assistance by the expert with the works council has made it possible to foresee the plausibility of merging the 2 subsidiaries. Analyses of the restructuring operations produced by the expert have provided information for negotiations on the adjustment of the number of employees and the content of the operations themselves. Here, the expert is a recognised "facilitator" in the economic and social debate among the parties.