



Case study summary sheet : NOVELIS

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- ✓ NOVELIS is composed of the Canadian giant, ALCAN's laminated aluminium product activities. Recently created, the group is ALCAN's response to grievances leveled by European competition authorities during the ALCAN PECHINEY ALUSUISSE merger. The new giant shed a part of its own previous activities and also those of PEHINEY and ALUSUISSE. The NOVELIS head office is in Canada and the USA. The new group has 13 600 employees, deployed on 37 sites in 12 countries. The main openings for NOVELIS production are obviously in the field of transformation of aluminium: tin cans, tubes, sheet metal for cars, construction, printing (lithographs). 2400 employees work at NOVELIS in Germany (plus 2200 at NORF, joint venture with HYDRO ALU).
- ✓ The restructuring of sites at Ohle and Lüdenscheid is part of a vast reorganisation and rationalisation programme that is being implemented across production operations of this recently created and relatively uncoordinated group. As anticipated by employee representatives before the constitution of NOVELIS, 100 jobs out 835 are being affected by the programme. A takeover by employees, as legislated for under German law, was in fact considered at one point. Like ALCAN, NOVELIS has a very centralised management structure, "top-down" from North America. In a country where social dialogue and operational planning is a sort of tradition, the local management has very limited autonomy. Experts chosen by employee representatives have intervened to assist employees and put forward alternatives to the proposed plan, elaborate support measures and protect their interests.
- ✓ Before concrete implementation of the restructuring operation actually began a cooperative framework was in fact agreed upon between the different parties in the business, revolving around the idea of "ultima ratio". This meant that redundancies were accepted by employee representatives on the condition that the management proposal be the final plan, that is to say that it constitute the "ceiling" in terms of redundancies. In return the management made certain commitments with regard to the provision of support measures and the setting up of common monitoring of the restructuring. This approach is in stark contrast to the centralized American-style management approach previously typical of NOVELIS. The employee support measures that have been put into place go much further than the usual framework seen in this type of restructuring programme.