# Can flexicurity make ethical sense? The 'terceisation function' as a moral lever for inter-organisational employment schemes

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**Abstract:** An employers' alliance (EA) is a group of employers who team up to hire and share workers. It is presented as 'flexicurity in action', in other words, as a tool allowing employers and workers to find new win-win compromises at the company level. Even when motivated by the best of intentions and with all pre-conditions fulfilled, implementing such a new inter-organisational employment scheme might end in failure. We will describe such a failure with the help of a case study showing how employers considered the EA scheme as a possible solution for the informal multi-activity of their staff. We then explore some of the reasons for the failure in implementation and describe how a supporting third party function, which we call the *terceisation function*, could help the process to succeed and the EA to evolve towards a more equitable and sustainable flexicurity scheme.

**Keywords:** flexicurity; employers' alliance; labour pool; workforce pooling; terceisation; third party; inter-organisational; work innovation.

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# 1   Introduction

The continuously expanding number of corporate charters and codes of conduct, of conferences dedicated to good corporate governance, and of professional and academic journals dedicated to business ethics, might encourage us to think that companies are increasingly integrating ethics and moral values into their day-to-day management practices. Such ethical considerations seem to concern in particular the management of human resources and social regulation throughout the value chain. Companies faced with global competition are trying to enhance their ability to adapt to a continuously changing market through various means that enable them to adjust their size and skills base according to the economic context, including internal and external flexibility schemes, inter-organisational partnerships, etc. The issue with these managerial and organisational choices is that they lead to the outsourcing of social risks to the weakest links in the chain and increase the precariousness of employment.

In order to deal with this challenge, the European Commission is promoting a new social regulation strategy, named flexicurity. The concept of flexicurity (Wilthagen and Rogowski, 2002; Wilthagen and Tros, 2004), the showpiece example of which is the famous 'Danish model' (Madsen, 2004), is presented as a sustainable way of compensating for the 'collateral damage' caused by the capitalist system. According to its advocates, flexicurity represents a compromise for both sides that supports social

cohesion and promotes 'two-way flexibility', allowing both employers and employees the opportunity to participate, to work and to develop employability levels.

Flexicurity is presented as a framework designed to guide and support the actions of the 'social partners' (i.e., the employers and the workers' representatives). Even if this approach might seem morally and ethically attractive, its operational relevance and applicability have yet to be proven, particularly at the micro level (Pichault and Xhauflair, 2007). At the micro level, flexicurity is often implemented through inter-organisational collaborations, such as labour pool companies or the supply of manpower by an employer to a user via intermediaries. These practices have different names – skill pooling, co-sourcing, umbrella companies, workforce sub-leasing, etc. – but they all rely on the principle of triangulation of the labour relationship (Havard et al., 2009). In Belgium, as in most European countries, organisations are prohibited from supplying workers to users, with a few exceptions such as temporary agency workers. Therefore, many of these triangular employment schemes exploit gaps or imprecisions in labour law, increasing insecurity for the stakeholders in these employment practices and leaving a clear field for unequal power relationships. One might wonder whether such micro-level employment practices really fall within the flexicurity scope, or whether these triangular employment schemes should even be considered as morally acceptable flexicurity practices.

Can flexicurity really provide a new frame for action that allows workers and employers to find more balanced and sustainable compromises around flexibility and security – in other words compromises that are more ethical? Our objective in this paper is to answer this question with the help of a case study that narrates our attempt, as action-researchers, to transform an ad hoc multi-employership practice into a flexicurity practice using the framework of an 'employers' alliance (EA)', a legal form of labour pool company. In France, Belgium and Germany, EA's typically present themselves as 'flexicurity in action' or 'the best practice flexicurity scheme for small and medium sized enterprises'. Nevertheless, although all the required pre-conditions seemed to be fulfilled in Trilogi, our case study organisation, our attempt to transform their informal practice into a genuine EA ended in failure.

After presenting the flexicurity concept and the EA scheme, we describe the precarious multi-activity situation of Trilogi's employees and the transformation process that we engaged in as action-researchers. Then, based on a retrospective analysis of the process, we discuss the supporting actions we provided and identify the conditions under which the alleged morality of EA, as a micro-level flexicurity tool, can become effective. We introduce the concept of *terceisation* (Lenoble and Maesschalck, 2010) as a function undertaken by external third parties that enables actors to engage in a reflexive and experimental process and allows them to incorporate ethical concerns into their practices.

## 2   The ethics of flexicurity?

The flexicurity concept is built upon sociological and economic analysis of the reforms that took place in Denmark during the 20th century (Jørgensen, 2002; Bredgaard et al., 2006) and later, in the 1990s, in the Netherlands (Visser and Hemerijck, 1997). These reforms were based on easier hiring and firing, coupled with strong social protection for unemployed or atypical workers. Wilthagen and Rogowski (2002, p.250) defined flexicurity as "a *policy strategy* that attempts, synchronically and in a deliberate way, to

enhance the flexibility of labour markets, work organisation and labour relations on the one hand, and to enhance security – employment security and social security – notably for weaker groups in and outside of the labour market, on the other hand".

In early 2000, the term 'flexicurity' was coined by politicians, researchers and, most prominently, the European Commission to describe an all-encompassing labour market reform agenda for the 27 member countries of the European Union. As part of the European social model it offered an alternative to the Anglo Saxon mantra of 'labour market flexibility' and attracted widespread attention around the world, lately also in the USA and in Australia (Auer, 2010).

Conceptually, flexicurity offers the potential – unexpected for some – to resolve a contradiction that is gradually eroding the foundations of Europe: that of maintaining the 'social state' within a liberalised and deregulated economic context. The concept is promising, as it opens debate on a whole series of possibilities: multiple compromises between atypical forms of employment and access to certain forms of security are now foreseeable, through the adaptation of social protection systems. The concept is also unifying, insofar as it necessarily involves dialogue between all stakeholders involved in the labour market, who gather together to develop a common, coordinated and balanced strategy.

Thanks to such promise, flexicurity became very fashionable during the first decade of the 21st century, especially in European political circles. However, the 'flexicurity countries' did not perform well in terms of employment preservation following the 2008 global financial crisis (Auer, 2010). Moreover, in spite of its popularity among politicians, economists and sociologists, flexicurity remains at this stage a normative, highly ideologically connoted, and not very operational practice. This is a significant difficulty, as the approach is not intended to remain purely theoretical. On the contrary, it is designed to offer a framework for action to stimulate and implement innovative practices and systems that reconcile the flexibility and security needs of different stakeholders in the labour market.

## 3   The employer's alliance as a moral flexicurity scheme?

Beyond fine-sounding words, it has been very difficult for flexicurity promoters to put forward concrete strategies and tools that enable implementation of these new allegedly win-win trade-offs within the labour laws of member countries. Even if most attempts have focused on the macro level, some actors, i.e., companies, local partnerships, territories, etc., have considered what form flexicurity might take at the micro level. For the people involved in the development of EA's [known as 'Groupements d'employeurs' in France and Belgium (Zimmerman, 2006)], it seemed immediately obvious that their scheme was the micro-level embodiment of the Flexicurity concept. EA is presented as a scheme that can reconcile the irreconcilable, i.e., the flexibility and the security needs of both employers and employees, in a sustainable and equitable way.

EAs are alliances of employers (businesses, associations, public institutions, non profit organisations), who use staff together and bear-shared responsibility for them. To do this, the partner employers have to create an employer organisation (whose legal status may vary depending on their country's guidelines), which hires workers and distributes them to the member companies according to their staffing needs. These needs could be seasonal or cyclical, because of unpredictable or short-term peak activities. Small or

medium-sized organisations can also share qualified workers for support or expert positions that they do not need full-time. Such an arrangement can be considered as win-win, since participating employers have access to qualified and reliable personnel, while participating workers benefit from full-time positions with an open-ended employment contract. Member employers can share equipment and training costs, and pooled workers increase their employability through their experience in various work contexts. In France, EAs can hire all types of worker. In Belgium, EAs are supposed to hire long-term unemployed people, but in fact the authorities have shown themselves to be quite tolerant.

In theory, it is quite easy to create an EA. Promoters of EAs claim that it simply requires motivated employers with complementary needs and flexible workers looking for a secured position. In Belgium, where the legal status of the EA is as an economic interest grouping (EIG), there is no requirement to invest any capital, to establish any notarial deed, or to pay any legal fees. The contract of formation must be registered and published in the Belgian Official Gazette, and then the EA receives an identification number from the social security organisation and can hire its first employees. The organisation of the EA depends on the wishes of its member companies.

However, in real life it is not so simple. Even if the context looks promising, all the potential stakeholders have expressed their intent to organise in anew, different, innovative and more morally correct way, and it seems a simple case of converting an informal practice into a formalised scheme, nevertheless the formation of an EA could still end in failure. In the next section, we describe our attempt, as action-researchers, to support the transformation of a 'cobbled-together' multi-activity practice set up by workers in Trilogi, an express air freight transport company. Their informal scheme generates multiple perverse effects for both employers and employees. Trilogi's executives are keenly interested in finding a mutual solution that would be more balanced and sustainable, but at the same time they believe that responsibility for the implementation of this solution must be shared with other actors. As the case study shows, however, declarations of intent are insufficient to guarantee operational success and ethical behaviour.

## 4   Multi-activity practices among Trilogi's workers

*Methodological concerns*

This case study is an output of an action-research project that we coordinated between 2005 and 2008 within the framework of a European research grant. The aim of the project was to identify inductively the conditions for socially and economically responsible compromise between flexibilty and security needs. To this end, we gathered together various stakeholders in our local labour market (company managers, union representatives, employers' organisations, public training organisations, local authorities, etc.). These actors were all involved in an experimental dynamic aiming at designing, supporting and evaluating various projects concerning innovative and partenarial employment schemes. The data analysis process was conducted collectively and led to the identification of a set of dimensions that characterise the experimental processes supporting the development of sustainable inter-organisational employment schemes (Xhauflair and Pichault, 2012). In all these projects, we played a highly entrepreneurial role, mobilising, supporting, coordinating, and providing expertise when required.

The main employment issue in Trilogi at the start of our action-research was income insecurity faced by its warehouse workers due to their atypical working conditions.

Trilogi is the European hub of a transnational airfreight express company and is based at a Belgian regional airport. Its activity is heavily constrained by the special characteristics of the logistics profession. This organisation's core activity, at the heart of an international network operating on 'just in time' principles, consists of receiving thousands of parcels from numerous European countries and ensuring that they are sorted overnight for delivery to their final recipients the next morning. At the center of a process involving multiple entities, the company is subject to very strict time objectives, the meeting of which is of prime importance from a financial point of view. Each minute late costs thousands of Euros since any delay in delivering parcels means paying compensation to clients.

Working conditions are particularly difficult in such a context: the work is carried out almost exclusively at night, within a framework of atypical contracts where part time employment is the rule. The majority of staff (1,100 out of the 1,500) work 4 hours per night, or twenty hours a week. Moreover, the nature of the warehouse tasks and the work of sorting parcels – a humdrum and tedious activity – favour the hiring of a poorly qualified, multicultural workforce that proves very complex to manage.

Still, the work can be planned and peaks of activity are mainly seasonal and therefore predictable. In consequence Trilogi offers most of its employees open-ended contracts. The workers value the predictability of their night shifts and the fact that this leaves them long periods of free time during the day. Yet they all express a need for greater income security. Whilst the salary paid for these twenty hours a week is considered reasonable, it is not enough to live on and certainly not to support a whole family. As a result, many devote their free time during the day to other paid activity, sometimes as an employee or a self-employed worker, sometimes in the informal economy.

Since setting up at the regional airport site, Trilogi had already made use of our consultancy and research services on several occasions (see Xhauflair and Zune, 2006). In 2006, the company asked our research centre to undertake a global satisfaction survey, with a specific focus on workers' practices and expectations regarding complementary work. We first conducted a questionnaire survey at Trilogi[1] to clarify the needs of workers, and then carried out 15 qualitative interviews with multi-employed workers.

The results of our survey confirmed the need of employees to undertake complementary work. 81% of respondents considered that an extra job was necessary, and 22% admitted to having an extra job. Less official sources indicated a considerably higher number of workers with more than one job: according to the trade unions, nearly 75% of staff combined multiple paid activities. They also pleaded for support: 76% of respondents considered that Trilogi should help people who were looking for an additional job and 67% would want to receive this assistance.

However, such 'cobbled-together' multi-activity is *a priori* not Trilogi's problem, as the company is not responsible for what occurs outside its own working hours. Under Belgian labour law, which applies to Trilogi, working time is limited to 38 hours per week. Consequently, no employer is allowed to offer employment contracts for longer than this. Trilogi of course complies with the legislation. But if we look more closely at workers' situations, we can observe that many cheerfully exceed 60 or 70 hours per week at various jobs. One worker combines a 20-hour contract at Trilogi with a 30-hour contract at a neighbouring company, while a colleague does the reverse; another combines a position at Trilogi with a full-time freelance activity, while yet another combines two salaried positions with an undeclared job in order to 'make ends meet', and

still another colleague is a student by day and works nights at Trilogi. The situation varies from one worker to another and, depending on the case, is more or less tenable.

Through our qualitative interviews we also discovered that around thirty workers combined part-time work at Trilogi with part-time employment at PiecElec, a company that is part of a global group distributing electronic, electrical and computer components. PiecElec's activity peak takes place between 5 pm and 9 pm, just before Trilogi's activity peak. At the time of our interviews the arrangement was organised completely informally, on the sole initiative of workers wanting to earn an income equivalent to a full-time job. It also allowed the workers to organise their working day in such a way as to keep a large portion of time available for rest and private activities, which constituted an important aspect of security from their point of view. Nonetheless the informal nature of this arrangement generated harmful effects and risks for employers and workers alike, including fatigue, difficulty in handling health and safety incidents, difficulty in working extra hours at PiecElec and/or in attending training sessions before the shift at Trilogi, administrative complexity linked to the combination of two work contracts, etc.

Now better informed about the practices, difficulties and expectations expressed by both management and staff regarding this multi-activity, we made the company aware of the existence of alternative solutions, such as the EA. Trilogi expressed a certain degree of interest in an EA, as it would be a means of organising and securing its workers' multi-activity practices. We then proposed that Trilogi became a partner in our European action-research project and a field location for an experiment with flexicurity. Trilogi's human resources director (HRD) agreed to take part in the project and to submit as a subject for debate the problem that the company and its staff were facing. Our research centre spent several months identifying potential partners with which Trilogi could share staff. Based on organisational specifics and requirements, our centre proposed three different workforce pooling scenarios to the potential partners: the first permitted the day-to-day multi-activity of staff; the second capitalised on daily and seasonal complementarities; and the third was centred entirely on seasonal complementarities. As all the members of the working group admitted, the form of collaboration initiated by the staff of Trilogi and PiecElec appeared to be the simplest and most satisfactory option. Both parties wondered how to transform this casual practice into a more sustainable and desirable arrangement.

Transformation appeared to require only a few marginal changes, mostly involving formalising and regulating an existing situation. However, despite the apparent goodwill of the parties and the seemingly straightforward task, we were unable to bring any change to the informal multi-activity practice. Regardless of all our supporting efforts, neither Trilogi nor PiecElec decided to implement even the slight changes required to enhance the sustainability of the multi-activity practice.

## 5 The reasons for failure

Our reflexive analysis of the process leads us to the identification of four sets of reasons for the failure of the project. They are not exhaustive but are related to the moral questions surrounding flexicurity inter-organisational schemes. The first set concerns the relational routines in which the actors remain caught. The second is linked to the roles played by these actors and their underlying identities. The third refers to the reluctance of

Trilogi and its partners to test the various scenarios elaborated by our working group. The fourth is associated with the partners' lack of prior exposure to similar projects and stakeholders.

## 5.1 The perpetuation of routines

The involvement of the researchers on this issue of the multi-activity of Trilogi staff resulted from a longstanding relationship with Trilogi's HRD. This common history makes it probable that Trilogi's agreement to be involved in the project was motivated less by genuine conviction than by the established relationship. The experiment actually emerged from a query vaguely expressed in these terms: "why not consider what can be done without it being too restrictive?" The relative lack of enthusiasm at Trilogi for the project might be a part of the explanation for its failure. Another reason might be that the researchers supporting the project did not manage to break away from the behavioural routines they had already established with Trilogi: the researchers remained prisoners of their consultancy relationship with the company.

With hindsight, one can observe that the various actors have remained trapped within a framework from which they are unable to extricate themselves. Trilogi has not asked itself how it could break out of its routines and do something different; the HRDs of potential partner companies considered only peripheral cosmetic changes, which do not entail any risk of upsetting the applecart, so to speak. The researchers, meanwhile, in an unstable equilibrium in their paradoxical quest for innovation and detachment, did not dare to challenge the managers. Vis-à-vis Trilogi and its stakeholders, the researchers did not push their questioning far enough, concluding by themselves that a partnership between Trilogi and PiecElec was the best possible solution in terms of complementarity and that not very much remained to be done. This clearly shows that the different actors are referring to existing practices and that the repositioning work likely to permit the avoidance of routines repetition has not taken place.

## 5.2 The difficulty of transcending usual roles and identities

The research team made a tremendous effort to enrol the stakeholders of this multi-activity practice in the innovation process. Trilogi's HRD joined the partnership of the European project, along with some trade union officials in charge of the company and other actors representing companies or organisations involved in other similar projects. During the partnership meetings, the researchers gave feedback on progress in other experiments and debated Flexicurity issues with all the participants. The Trilogi HRD's view appeared to be very progressive, as was that of one of the union officials, who claimed to be keen to get down to action in accordance with the 'pilot' modalities and the conditions determined by the partnership. The other union official was more cautious, if not suspicious, but despite his reservations he still declared his support for the project.

At the same time, the researchers were attempting to put together an *ad hoc* working group responsible for the experiment with Trilogi. Included were the HRD of PiecElec, representatives of neighbouring and potentially complementary companies, and the trade union contributors – i.e., union officials, but also the Trilogi shop stewards. Although meetings involving the two HRDs and a few other partner companies were held, the research team did not succeed in bringing together around the same table company

representatives and worker representatives, despite the conviction, expressed by all, of the relevance of such a meeting.

The issue of roles and identities turns out to be central to the success (or otherwise) of this innovation process. In the case of Trilogi, the actors, including the researchers, did not succeed in transcending their specific identities. It proved impossible to 'do something different together'. An identity shift on the part of Trilogi's HRD and one of the full-time union officials did start to take place, thanks to the dynamics in the European project partnership, thus enabling some change in respective expectations and methods of interaction. However, the level of change was insufficient to allow implementation of a pilot experiment and the actors were cool to the idea of creating a 'pilot working group' at a local level, which would have involved them in another form of collaboration, another way of working together. Moreover, the actors involved are either HRDs, who cannot make decisions without referring to their CEOs, or union officials caught in a vice-like grip between local union delegations and the union management. Consequently, the work on roles did not involve all stakeholders in the innovation process. The majority of actors have remained stuck in their traditional positions and roles, and those who have initiated or carried out some identity shift have not been in a position to bring about a corresponding shift within their own organisation as a whole.

## 5.3 The 'avoided test'

When the researchers' work began, multi-activity practice was already in place. The workers themselves had attempted to find new solutions in response to their need for security and the lack of any satisfactory proposals from Trilogi. They took on the risk of trying something different, based on the opportunities available, confronting difficulties in reconciling working time and family time and, crucially, exploring the 'ideal' complementarity represented by multi-activity at Trilogi and at PiecElec.

This 'perfect complementarity' constitutes the basic hypothesis supporting the pilot initiative proposed by the researchers to the HRD at Trilogi. Since the situation seemed a priori ideal, as viewed by both the workers and the HRDs of the two companies, it was not a matter of undermining the situation but rather of seeing how it could be optimised, developed and institutionalised. All the success factors seemed to be in place and the project appeared easy to implement. However, the HRD and union representatives were not able to capitalise on this existing initiative. They corralled themselves into a passive position, receiving with relative interest the proposals made by the research team concerning a scenario of complementarity between Trilogi and PiecElec, including alternative proposals to the existing situation. But the actors continually floundered over details regarding differences between the two companies in terms of work organisation, training and recruitment. They indicated actions to be taken within their own organisation to transcend these 'details', but none of them effectively and efficiently relayed the issues into the appropriate channels. The HRDs and the trade unions approached the project from a perspective of minimal investment; they were reluctant to take any risks, and at the first sign of crisis the very idea of taking action was completely dropped. In this sense we can speak in terms of an 'avoided test' (Weick, 1979), meaning that the actors enacted the context in a very selective way.

## 5.4   *Lack of exposure to actual experience*

In order to convince the actors to develop and test out other practices, the research team on several occasions sought to present them with similar or alternative experiences, especially during the first phase of the project. This is known as 'benchmarking' (although it is quite distinct from a real benchmarking procedure). The researchers presented various case studies, to feed the discussions within the partnership. However, this initiative turned out to be highly unidirectional. Despite invitations on several occasions to meet the actors in the 'benchmarked' systems – during visits to companies, study tours, etc. – very few partners seized these opportunities. Instead, they contented themselves with the somewhat abstract and formatted accounts reported to them by the researchers. While these accounts still generated rich discussions between the members of the partnership, these data were nonetheless biased due to having already been 'calibrated' by the researchers. It was therefore not possible to show either the full richness of the test-error-adjustment process undertaken by the actors involved in these innovations, or the changes in their respective positions.

## 6   A programmed failure?

All these reasons for failure show that it is very risky to gamble on the moral power of the flexicurity framework to overcome the compulsions of repetition and defensive strategies that usually prevail at the inter-organisational level. They show that one cannot expect a 'natural' sense of morality among businesses forming an inter-organisational partnership. It appears that managers who do commit themselves to alternative courses of action risk rapidly finding themselves caught up in conflicts of loyalty. The vagaries of day-to-day management quickly remind them of their chief remit: to maximise profits and protect their shareholders' interests. Does this mean that, within the framework of a capitalist economy, the system's natural tendency is to move inexorably towards the splintering of social cohesion and the omnipotence of individual interests, to the detriment of the collective interest? Is flexicurity just a smokescreen created to conceal the never-ending increase in businesses' flexibility requirements and the inexorable pursuit of self-interest? In the Trilogi case, how might the reasons for failure be overcome in order to enable a balanced inter-organisational partnership that offers the workers sustainable, high-quality jobs?

The answer to this question is experimental in nature. Through a transversal analysis of all pilot projects carried out in the framework of the European action-research project, we observed that the nature of the role that we played as action-researchers was a central explicative element of either the successes or the failures. Besides contextual features, the failure we consider in this paper is partly linked to the third party intermediary role that the researchers attempted to play between the different stakeholders involved in the aborted EA pilot project: namely Trilogi's management, the workers and their representatives, and the other employers concerned by the multi-activity. Despite their creditable efforts, the researchers did not manage to ensure the conversion of an informal and unsustainable cobbling-together of multi-activity practices into a more formal system that guaranteed the collective interests of all stakeholders.

Therefore, based on our reflexive perspective, we can provide some answers to the following questions: what could have been done in order to make the different actors

move beyond the simple reproduction of existing behaviours? The way in which the role of the third party is played appears to be critical as a means of helping actors assume their collective responsibility. However, this role differs from the traditional conception of the neutral and equidistant third-party 'expert'.

## 7 From the usual role of third party to the *terceisation function*

The pivotal role that we see emerging from our various field experiences differs from the standard conception of the third party as arbitrator, mediator and expert providing an optimal solution to its partners. Even if the third party does some times have to take on aspects of these previous roles, the main role is more akin to that of a reflexive practitioner (Schön, 1983, 1987; Redmond, 2006), who works to place the actors in a position of distance in relation to their usual way of comprehending the framework within which they evolve. The purpose is to help the actors renew this framework by learning new forms of interaction. Given the four reasons for failure previously mentioned in Section 4, we can describe at least four dimensions of this reflexive third party function.

First, regarding the fact that most actors seem to remain trapped in their routines, it seems to us that a third party actor could play a role that enables the main actors to move beyond their mental routines. The function of this third party would be to construct a problem resolution process that is not based on the perpetuation of existing practices. This means that the third party function probably needs to be taken in charge by physically external actors who are able to take distance from the routines of the stakeholders concerned.

Second, considering the need to transform stakeholders' roles and identities, the function of the third party consists of working on these issues with the other actors, in order to enable them to link up with each other differently in the process of seeking solutions. The issue is not so much a matter of 'casting': it requires helping the actors to extricate themselves from their traditional roles in order to facilitate a transformation of their conditions of satisfaction.

The third point relates to the possibility of testing the envisaged innovation. This proposition is based on the approach of democratic experimentalism developed by Dorf and Sabel (1998), which supports the involvement of the actors in experimental work in order to bring about an inferential movement that gradually transforms their perceptions and concepts. This, in turn, permits incremental change to take place. Assuming this approach, the function of the third party consists of enrolling the stakeholders into this incremental process, by structuring intermediate stages, encouraging them to test out alternatives and making the necessary adjustments for the gradual integration of the expectations that emerge.

Our fourth aspect concerns drawing useful comparisons with the experiences of others. Benchmarking (Dorf and Sabel, 1998) enables the system to evolve by means of placing one experience into perspective in relation to other similar experiences. Comparing and contrasting in this way facilitates the adoption of an external perspective that permits the reframing of perceptions and the changing of specific identities (Schön and Rein, 1994). Through these interactions, actors can better understand the conditions for implementation of the innovation, but also the risks and benefits associated with it. The function of the third party is therefore to encourage a process of comparison with

external solutions that enables the actors to take a detached view of what they had previously considered to be the ideal compromise in the given situation. Such an inter-subjective comparison allows the actors to reassess their position in relation to the risk and, on the basis of their new understanding of the system of interests, to reduce uncertainty enough to start moving.

These four proposals mark out the contours of what can be called the *terceisation function*, in reference to the concept of *terceisation* proposed by Lenoble and Maesschalck (2010). The latter constructed an approach that emphasises the transformation of identities in collective action and the changing of the relational matrix required for the production of innovative solutions in a framework of power relationships. By *terceisation*, these authors are not referring to the action of the third party, but to the operation of self-transformation undergone by actors in an emerging compromise, when they make a movement in relation to their own position and their own identity. This identity process constitutes a necessary condition to allow escape from routines and blockages and to enable a new institution to emerge and be sustained. As long as their identity remains unchanged, actors will be unable to do things in a fundamentally different manner.

The transformation supported by one (or several) third party actors undertaking a *terceisation function* is, in our opinion, a preferred way to reintegrate moral values into day-to-day management practices. In the specific case of flexicurity schemes implemented at the inter-organisational level, this terceisation function might help to make the moral claims more effective. It is not a question here of referring to a universal morality that the actors must be reminded of, but of putting the actors in a reflexive position where they are forced to question the values that underlie their actions.

## 7.1   The conditions for a 'terceisation function'

The role of a third party adopting a *terceisation function* is complex, as actors are usually not encouraged to take into account moral values in their day-to-day managerial practices. Nor have they been trained to assign themselves new roles, a fortiori in an inter-organisational framework. The urge to retain practised routines and to adopt defensive strategies is likely to predominate. The issue is thus to help the actors to develop different relations with each other, by evolving the definition of their own positioning and the expectations resulting from it. It involves pushing actors to 'self-capacitate', by allowing the individual and the group to take charge of their own transformation within a process of collective action.

## 7.2   What are the contextual conditions required to make the 'terceisation function' possible?

First of all, it is important to gather around the table actors with sufficient decision-making power. We saw in the Trilogi case how the lack of involvement of the CEOs of the companies was crucial to the non-realisation of the project.

Next, the question of power relationships between actors cannot be avoided: in particular, too great an imbalance in power relations, in terms of access to resources, will block the construction of a lasting compromise. Hence, initiatives emanating from the most influential actors have a greater chance of generating resistance, or even withdrawal, thus hampering any *terceisation* work.

Finally, without sinking into a narrowly utilitarian perspective whereby the maximisation of individual interests is identified with collective well-being or that regards the former as the basic building block to achieve the latter (Baujard, 2010), cooperation must be seen as a solution preferable to conflict. In other words, the *terceisation function* can only operate if the actors involved are interested in reaching a compromise. We should bear in mind that the guiding principle behind the idea of flexicurity – or should we say the flexicurity gamble? – is the possibility of finding new trade-offs between apparently incompatible needs and interests. Of course, it is not always the case…

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## Notes

1   The questionnaire was distributed to 1,172 of the company's workers, of every status and at every level of the organisation, and achieved a response rate of 67%, i.e., 785 respondents.