

Building company networks: Norlandia and Colisée



Summary report

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Summary of key findings

The report presents a summary of the key findings of the research undertaken by notus-asr as part of the EPSU project on trends in the multinational care companies, with a focus on Norlandia and Colisée (VS-2020-0035: Building company networks and EWCs in health and social services II). The research has relied, first, on desk research findings on the publicly available information about the two companies and on publications focused on sectoral regulation and industrial relations patterns in the European countries where the two companies operate. Second, an online survey addressed to work councillors, trade union officials and workers was run, and eight qualitative interviews were conducted with work councillors and trade union officers. The main purpose of the survey and the interviews was to gather information on working conditions at Norlandia and Colisée.

Below are summarised the key findings for Colisée and Norlandia. For further information on each company, separate in-depth reports are presented.

Colisée

Colisée is a multinational company headquartered in France which is specialised in the elderly care sector or “silver economy”. Colisée was created in 1976 in France. Since then, it has progressively expanded to several countries, through the absorption of national entities that are specific to each country and have maintained its firm name. Currently, Colisée group is present in France, Belgium (Armonea), Spain (La Saleta and STS), Italy (Isenior), and China.

In 2017, IK Investment Partners (“IK”), a leading Pan-European private equity firm, became the major shareholder of Colisée Group (“Colisée”). This reflects a common trend in the social services sector, characterised by the increase in investment funds targeting the elderly care subsector¹. Demographic trends, characterised by rapidly ageing population across Europe, make this sector attractive to investors. Moreover, compared to other health activities (e.g., hospitals), elderly care is a private sector in many European countries. In this sense, it is worth noting that IK Investment Partners had previously invested in some of the biggest Nordic companies specialised in the elderly care sector, such as Attendo. However, in 2016 IK Investment Partners sold its stake in the company². This operation had already been anticipated by newspapers news³, which informed that private equity firms were considering leaving their investments in Nordic public services (particularly in Sweden) in response to new public debates calling for more state control of private entities providing public services.

¹ <https://www.knightfrank.com/research/european-healthcare-elderly-care-market-2020-6902.aspx>

² <https://www.globalcapital.com/article/y2bkwglxthk/ik-investment-partners-sells-out-of-attendo-in-abb>

³ <https://www.reuters.com/article/sweden-privateequity-idUSL5NOMP3A020140404>

Thanks to the investment provided by IK Investment Partners, the company could take a decisive step towards its internalisation, which ended up with the acquisition of the Belgian group Armonia (which included also La Saleta in Spain) and the Spanish groups STS

In 2020, IK entered into negotiations to sell Colisée Group (Colisée) to the Swedish private equity firm EQT Infrastructure⁴. This private equity firm has a portfolio of companies in Europe, Asia-Pacific and North America, which represents a combined total turnover of more than €27 billion and more than 159,000 employees. In Autumn 2020, it became the major stakeholder of Colisée⁵.

In 2021, the group Colisée employed **19,000 employees** in France, Belgium, Italy and Spain, being the fourth biggest player in Europe in the elderly care sector⁶.

To explore the working conditions in the company, a survey was conducted during the project amongst the company workers and trade union representatives in late 2020, as well as qualitative interviews with the trade union representatives in the company and trade union officers. The key patterns in terms of working conditions are difficult to compare because of the disparity of responses in each country in the survey (25 in Spain, 1 Italy, 1 Belgium, 2 France)

In terms of **working conditions**, main concerns expressed by workers and work councillors were related to **wages** (either below the national/sectoral average or assessed to be too low considering the type of work and qualified required), **working time** and **work intensity**.

Several **Occupational Safety and Health** (OSH) problems at their workplace were also identified. These can be divided in **psychosocial risk problems**, where the most important concerns were on the **time pressures, having to work for too long, irregular hours** and the **fear of job loss**; and **physical problems**, remarking the lack of ergonomic set up workplaces, the use of **repetitive movements** or the **harmful positions** at work. Less consistently, workers also report having to deal with difficult customers as an important problem.

The COVID-19 pandemic impact has meant an **increase in the work activity**. In this context, main negative impact in working conditions was related to additional working hours and overtime. Generally, company responses are assessed to be adequate or partly adequate. In Belgium and Italy, survey respondents (one per country) reported the involvement of the union on the response to COVID-19 crisis.

The four European countries where Colisée operates show some similarities in terms of the **sectoral regulatory framework**. In the four countries, regional governments/institutions play a key role on the regulation, accreditation and supervision of private providers operating in the elderly care sector. This entails that, in each country, there are regional disparities in terms of employment and working conditions.

⁴ <https://www.privateequitywire.co.uk/2020/08/31/289043/ik-investment-partners-sell-colisee-eqt>

⁵ Team - Groupe Colisée (www.colisee-group.com)

⁶ <https://www.colisee-group.com/en/key-datas-and-concrete-actions/>

Regarding the main **sectoral industrial relations' patterns**, the research has found that in **Belgium, France and Spain there is a robust collective bargaining structure** due to the existence of comprehensive national sectoral collective agreements regulating general employment and working conditions. In Belgium and Spain, sectoral/national bargaining is articulated with regional collective agreements. **Situation is much more complex in Italy, where collective bargaining is highly fragmented**, partly because of institutional specificities (i.e., lack of legal representativeness criteria for trade unions). At the Colisée company level, in Belgium, France and Spain there is a consolidated trade union presence. On the contrary, the representation at company level is particularly challenging in Italy because of employers' strategies relying on complex subcontracting chains. It is also worth noting that **in Belgium, France and Spain trade unions have showed great capacity to mobilise workers** at national or company/local level through demonstrations or strikes.

Norlandia

Norlandia is a multinational company with headquarters in Oslo, Norway. It is present in six, mostly northern, countries – Norway (headquarters), Sweden, Finland, the Netherlands, Germany and Poland. It was established in the 1990s and evolved through several stages into the NHC Group (established in 2016). The company provides care services in a lifecycle approach, including residential and non-residential social care, such as nursing homes, health care, preschools, integration services, and individual and family services.

Most company locations are in Norway and Sweden, and its presence is much smaller in Finland (45) and Poland (23). The different segments have different presence in the different countries:

- Norway all segments
- Sweden and Finland mostly preschools and care
- the Netherlands and Poland preschool.

In 2020, the group employed around **9,700 employees**, making it one of the larger providers of care services in northern Europe. Most employees were based in the Preschool segment.

To explore the working conditions in the company, a survey was conducted during the project amongst the company workers and trade union representatives in late 2021, as well as qualitative interviews with the trade union representatives in the company. The key patterns in terms of working conditions amongst the company's workforce are consistent across the three Nordic countries.

Key worker concerns relate to the wages which are below average. The main concerns expressed by a majority of workers surveyed for the research were the unsatisfactory level of **wages, time pressures** to undertake job tasks at the right speed and **the lack of enough workers** at the facility that the workers are working in. The majority of workers also expressed concerns about the lack of training to undertake their job properly and the lack of good prospects for career advancement. The working conditions in the company are considered to be **below the average compared to other similar companies** - especially for wages. A significant number of workers in the survey reported that the company has **introduced cost saving measures** in the last year. This was echoed in the interviews with

trade unions – especially concerns about wages. The company has also been putting in place cost saving measures to be competitive.

Several physical OSH issues remain to be addressed, with the main pattern consistent across the countries. Survey results indicate a significant extent of OSH problems in the company - about half of the workers responding to the survey indicated that they or their colleagues experienced OSH problems in the last year. The most important OSH issues related to physical hazards, such as lifting or moving people or heavy loads and increased risks of slips, trips and falls. Main OSH issues are not considered to be handled well by the company. The majority of workers responding to the survey reported being very well and well informed when it comes to occupational health and safety risks.

The COVID-19 pandemic impact has been similar for the workforce in Norlandia across the Nordic countries. The most frequently reported impact related to the increased provision of personal protection equipment and new safety and hygiene protocols; confirmed by interviews. In contrast, the impact on the working intensity, more working hours or staff ration were not identified by the survey respondents. Views on the quality of company's response to the COVID-19 crisis are mixed: over 40% of respondents saw the company's response being very adequate and adequate, with a large proportion of respondents who had a neutral opinion on this matter. Trade unions were consulted on the company's response.

Norlandia has **a strong union presence**, with pattern consistent across the Nordic countries. Trade unions play a strong role in the company and negotiate on similar issues. Nearly 60% of survey respondents indicated that the company has regular meetings or other methods for employees to express their opinions about what is happening in the company and there are active trade unions at the workplaces (in most more than one trade union). Most respondents indicated that across company workplaces most workers are members of a trade union, confirmed in the interviews showing a high extent of unionisation – between two thirds and 80%.

In terms of **collective bargaining, the trade unions negotiate on very similar issues**. The pattern consistent across the countries is that sectoral collective bargaining mechanisms are in place, which results apply to Norlandia. The majority of survey respondents reported that there is a formal collective bargaining mechanism at their workplaces – also the interviews confirmed this. Collective bargaining takes place on annual basis, key topic is wages and working conditions. The majority of the survey respondents and all interview partners reported a significant influence of the union or consultation body in terms of salaries and working conditions in the company. The majority of survey respondents also identified that the importance of consulting the trade unions has remained stable in the last five years. Only a small proportion of survey respondents indicated that management supports the union's work and consultation with employees – interviews show nuances: this differs by country, stronger in Norway, less so in Finland.



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EPSU works with affiliates in a number of multinationals in the utilities and health and social care sectors. For more information, please contact **Jakob Embacher**, Policy staff - Utilities (energy, waste, water), European Works Councils and Enterprise Policy:

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