

FLEXIBILITY AND SECURITY: MICRO-PERSPECTIVES ON DEALING WITH FLEXICURITY

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Introduction

In tandem with their integration into networks (Powell, 1990), modern companies are increasingly involved in developing new forms of jobs (Marchington *et al.*, 2004 ; Cooke *et al.*, 2004). Many management facilities attempt to provide innovative solutions to the needs for flexibility and security expressed by both employers and their employees. These new practices, local compromises sometimes referred to as flexicurity (Wilthagen and Tros, 2004), are the fate of all the countries where the regulatory frameworks have been set up in reference to the types of job used as part of mass and standardised production (Regalia, 2006). In Belgium, for example, such is the case with illegal and clandestine umbrella company activity whereby a virtual self-employed worker is transformed into an employee; or skill pooling which, again illegally, allows a company to make its workers available to

other firms on a part time basis or for the length of a project; or employee pooling, which due to a legal framework that is too restrictive, is often conducted outside any formal type of structure, etc. It can be observed that a significant share of these new managerial practices are established outside existing legal frameworks, with the consequence that many of these “quick fixes” override institutional machinery.

One of the distinctive characteristics of these emerging practices is that they are frequently set up on an inter-company basis. To explain this observation, we shall assume that the companies have exhausted their internal levers to cope with the growing demands for flexibility and that an inter-company basis offers greater room for manoeuvre in terms of reconciling flexibility and security.

In some cases, these new compromises are implemented to the satisfaction of all the stakeholders, in spite of the fact that they operate outside the realms of existing legislation; as such, it can be said to be economically and socially desirable flexicurity. In other cases, in particular when relationships of power between players are too skewed, the consequence is unbalanced and untenable situations in the long term because they are too insecure for the parties concerned. One of the major stakes in these new compromises is in fact that they frequently involve a triangular employment relationship (employer, worker, and user) which results in a dissociation of economic and social responsibilities (Sobczak, 2003) as well as the risk of placing the worker in a precarious position. Traditional social regulation built on the basis of bilateral employment relations is powerless to control such practices (Supiot, 1999; Regalia, 2006; Berns *et al.*, 2007).

It is therefore important to identify new guidelines so that emerging practices and self-regulation of labour market players are not synonymous with a state of lawlessness, and it is paramount to help point development of labour market regulation towards preserving the general interest. The questions which we will endeavour to answer in this paper are as follows: what exactly would a satisfactory mechanism resemble? How can a balance be maintained between flexibility and security when designing a new managerial practice? What is preferable in the multitude of emerging inter-company arrangements? In other words, the challenge is to define the conditions under which these new arrangements set up at inter-company level can be institutionalised, which would represent a first step to updating the current regulatory framework.

Lawrence *et al.* (2002) note that in fact inter-company collaboration can be a source of change in institutional fields by generating proto-institutions, i.e. new practices, rules and technologies that transcend specific cooperation and which can become new institutions if they are sufficiently promoted. They notably observe that the methods of cooperation influence the capacity of proto-institutions to generate structuring and become institutions. However, this “micro-source” of “macro-change” has hardly been studied to date. Instead, research on institutional change has focused more particularly on “field level”. We propose therefore to contribute to this field of research using a very rich corpus of empirical material made up of local compromises reconciling flexibility and security that are in the process of being institutionalised.

In this perspective, we have detailed several avenues relating to the emergence of desirable compromises, i.e. new methods of regulation set up in the general interest. These avenues are drawn from experimental work conducted as part of a European action research project aimed at identifying the conditions for implementing economically and socially responsible flexicurity (Pichault and Xhaufclair, 2007). The three avenues on which our contribution is based will explore the conditions necessary for social regulation suited to inter-company partnerships to emerge and become institutionalised. These avenues will be illustrated by the cases of workers at Trilogi, an air freight express forwarding company, confronted with very atypical working conditions and shared between several employers, a situation which necessitates implementation of new inter-company arrangements.

The first avenue: an abductive bearing

In order to sort through the mass of initiatives and identify the conditions for their institutionalisation, it is first necessary to conduct a survey of existing practices (flex-pools, employer pools, skill pooling, multiple job-holding, umbrella company hiring, etc.), as well as a detailed description of their methods and their underlying dynamics. Thereafter, various categories must be identified in this empirical data in order to qualify and compare these practices. In choosing an inductive bearing, the aim is to preserve sufficient open-mindedness to identify emerging realities, which could not be detected in a deductive manner, insofar as there is no pre-determined theoretical framework allowing them to be gathered. The suggested approach uses the *Grounded Theory* (Glaser and Strauss, 1967) as its inspiration, by temporarily suspending references to existing theories in order to retain optimum openness to the unusual, and remaining attentive to the discovery of new ways to understand phenomena (Fann, 1970; Peirce, 1965, 2002).

The focus is on how these new compromises are institutionalised. It is therefore important to understand how they emerge, are legitimised and become embedded, but also to comprehend the values, depictions and significances that the stakeholders in the practices studied accord to these arrangements. By using a qualitative approach, we are set for a voyage of discovery (Bryman, 1984) not just simple verification. Consequently, the choice of fields of study will be guided by the question to be resolved (Bryman, 1989). This choice is left purely to chance and is opportunist. Inasmuch as we hold no preconceptions concerning the most conducive breeding ground for this type of innovation, we must use a multitude of fields of study and rely on chance to be able to observe phenomena related to the issue with which we are preoccupied. The challenge is therefore to identify concrete situations of inter-company partnerships where the working situations and issues of reconciling flexibility and security are likely to lead to new arrangements established on an inter-company basis. Furthermore, the emerging character of these practices and their inter-company basis makes it difficult to define a relevant perimeter. It is therefore necessary to constantly adjust the approach to the data from which we hope to draw the process of institutionalisation.

The case study put forward below represents one of the fields of study in which we were able to identify certain methods of the institutionalisation process. It describes the case of workers at the company Trilogi, the European hub of a trans-national air freight express forwarding company. The majority are subject to atypical working hours and methods, which are attempted to be made more secure through “quick fixes” in the form of new inter-company arrangements.

Trilogi is the European hub of a trans-national air freight express forwarding company. Its activity is severely constrained by the particularities of the logistics industry. The main purpose of this entity, which is part of an international network working on a ‘just in time’ basis, involves receiving thousands of parcels from a wide range of European countries and sorting them during the night, so that they can be delivered to their recipients the following morning. At the centre of a process involving many entities, the company is subject to very strict time objectives. Achieving these goals is capital from a financial point of view. Each minute’s delay represents a loss of tens of thousands of euros: any late delivery of parcels entails providing compensation to the customers. In such a framework, the working conditions are especially difficult: work is performed solely at night and is governed by non-standard contracts in which part-time work is commonplace. Most of the personnel – i.e. around 1,000 people out of the 1,300 employed by the company – work from midnight to 04.00 in the morning, i.e. twenty hours per week. The working hours therefore represent the key variable in the eyes of the company in satisfying its needs for flexibility.

PiecElec is a multi-national that employs around 5,000 people on all the continents of the globe. It distributes electrical, electronic and computer components, but does not carry out its own production. Its activity is focused on ordering, receiving, centralising, packaging and dispatching of customer orders by express delivery. The Belgian division of PiecElec handles distribution for all Europe. Currently, the site employs around 200 people. Each day, 4,000 orders are dispatched to all types of customers. The company is expanding: investment is planned, which should increase the firm’s volume and therefore workforce. At present, activity is spread over the day and evening, with a significant peak between 17.00 and 21.00, linked to 24-hour delivery constraints. Around one third of the workforce works part-time (half or three-quarter time), and are at work during the peak of activity. In the future, the investments and developments planned by the company may involve round the clock

work and night-time work (which is currently not the case) characterised by a significant volume of activity. This development will lead the company to augment its part-time workforce.

The majority of workers at Trilogi are employed on a part-time basis. Most of them have an open-ended employment contract, which provides them with a certain amount of job security. Nonetheless, the income they earn from this part-time work is not sufficient to sustain a family and many of them combine their job at Trilogi with other employment, under various statuses (employee, temporary worker, self-employed worker, secondary self-employed activity, moonlighting) and according to varying practices (full-time day work, part-time day work, part time work before or after their shift at Trilogi).

Independently of their employer Trilogi, in a totally autonomous and private way, several workers deliver free advertising papers to homes in the region for the company QuickDistrib. QuickDistrib works as a sub-contractor for a variety of contractors, mainly firms in the distribution sector. Its workforce fluctuates in accordance with peaks in activity, but on average it employs 100 people. They propose self-employed status to workers, who must have a vehicle to be able to deliver the papers and who must bear all the costs related to this work. They are responsible for a sector and must make two delivery runs per week, during two pre-determined periods. They are free to organise delivery, as long as they respect the deadlines stipulated. The company experiences significant turnover of employees, mainly due to the fact that it imposes secondary self-employed status on workers – who perceive this status as difficult to manage in administrative terms and insecure as regards income levels – and that such delivery work is seen as difficult and degrading. However, it rarely has problems in replenishing its workforce, a significant share of which is employed part-time during the night at Trilogi. In spite of a formal link between Trilogi and QuickDistrib – these two firms are part of the same group – no communication between them enables an accurate assessment of the number of workers affected by this practice.

Around twenty other workers are concerned by a system of multiple job-holding that is relatively secure: they combine part-time work at Trilogi with part-time work at PiecElec, whose peak of activity each day takes place between 17.00 and 21.00, i.e. just before Trilogi's peak of activity. Such combining of jobs currently occurs in a totally informal manner, on the initiative of the workers who try to attain a level of income equivalent to full-time work. It also enables them to organise a continuous working day, leaving the worker with a long period of inactivity, devoted to rest and private activities, which represents another security factor from the workers point of view. However, the informal nature of this arrangement, all the more so in the case where the employers are unaware of such multiple job-holding, provokes detrimental side-effects and risks for both the worker and his or her employers: the impossibility of working overtime at PiecElec, the impossibility of attending training organised before the shift by Trilogi, difficulties in handling work accidents and incapacity for work, administrative complexity linked to two statuses, a decrease in workplace safety in both companies, etc. Aware of these risks, but also the advantages they may obtain in developing such "sharing" of workers (inasmuch as they cannot offer more full-time positions), Trilogi and PiecElec have entered into dialogue in order to clarify how the jobs are combined and, where applicable, to formalise the cooperative practices that would benefit the various parties.

In the course of an action research initiative bringing together management and labour, public employment agency representatives, federations of temporary work agencies, chambers of commerce, etc., we attempted to describe situations such as the above using "neutral" categories drawn from research. As a result, we contributed our set of concepts, mobilising them through building an analytical grid designed to characterise the needs for flexibility and security first and foremost, as well as the compromises made between the "holders" of these needs thereafter. Under no circumstances is this methodological bias. On the contrary, this way of establishing links between "intuitive" descriptive categories and already existing theoretical categories proved to be essential in granting a legitimate status to the variables that were finally retained. It is in fact important to move beyond "pure" induction to emphasise the categories of common sense over the existing scientific corpus.

The advantage can therefore be seen of supplementing induction, not by deductive work that would aim to confirm the explicative potential of existing theories and would prevent a genuine openness to

innovation, but by an abductive process that helps us to understand to what extent the forms observed that combine flexibility and security represent specific cases in relation to more general “rules” (Kelle, 1995; 1997; Anadon and Guillemette, 2007). This bearing therefore does not seek to verify hypotheses: it aims to validate intuitions. However, it is not simply a question of expressing reality and “labelling” it. The issue especially concerns establishing links with existing categories to legitimise formalisation drawn from debates between the stakeholders involved in compromises. The researcher helps to associate the existing theoretical fields with the concepts proposed “spontaneously” by the stakeholders. In doing this, he or she gives them empirical, scientific and social validity, which is proof of their institutionalisation. This theorisation work was defined by Greenwood *et al.* (2002) as being “the development and specification of abstract categories and the elaboration of chains of cause and effect” (2002:60). Theorisation facilitates the dissemination of institutional innovations by focusing on the need for change and by offering the players concerned a relevant justification for the proposed change (Maguire *et al.*, 2004).

To escape the institutional “no man’s land” into which the emergence of practices developed outside the limits of existing social regulation has plunged them, the stakeholders in our case study were thus recruited, with our support as researchers, to take part in collective analysis of practices which enabled them to help build the grid summarised in the table below.

VARIABLE	DESCRIPTION
Deliberate / Emerging	Intentional bargaining process, with an explicit reference to stakeholders' requirements
Two-side Acceptance	Voluntary commitment of each stakeholder
Inclusive / Selective	Involvement of all the parties concerned at each step of the design process
With / Without intervention of a third party	Level and modes of participation of a third party in the process and in the governance of the system
Generic / Specific	Uniform application to all members of the groups involved in the negotiation
Evolutionary / Static	Possibility to enrich the compromise as it is implemented
Formalized / Informal	Explicit and official agreement (documents) to which the different stakeholders can have access
Regulation mode	Explicit reference to a system of control and sanctions
Consistent / Inconsistent	Consistency of the compromise with existing regulation at higher levels on the labour market

This grid therefore represents the intermediate result of an abductive process whose last step involves linking the emerging categories to various theoretical fields. Identifying relevant theoretical frameworks then allowed us to rationalise it and validate it as an analytical tool.

A school of thought likely to be of aid to us in this matter is that of sociologically-inspired neo-institutional theory (Meyer and Rowan, 1983; DiMaggio, 1988) which notably sheds light on the key

role of the institutional entrepreneur in transforming existing institutions and promoting the emergence of new institutions. The suggested analysis of the role of these institutional entrepreneurs mainly focuses on their attributes as well as on the levers for action that they use to achieve the goals of their project. Such an analytical framework allows us to back up the observation of the determining role played by third parties presented in our case studies. As such, it can be observed that the institutional entrepreneurship initiated by the workers at Trilogi themselves is not relayed by the third-party whose legitimacy and resources would enable a scheme made up 'on the hop' to develop and become institutionalised.

To enhance this abduction work, we were also able to mobilise theories concerning organisational innovation, especially the actor-network theory (Akrich *et al.*, 1988a; 1988b). It helps us go beyond analysis of the stakeholders who are the catalysts of innovation, to understand the entire process of change that underlies the appearance of these new practices that combine flexibility and security. It involves considering the various micro-processes of translation scattered through establishing compromises and institutionalising them. Our analytical categories of compromises are thus echoed in the different steps of the translation process. As regards combining a job at Trilogi with self-employed status at QuickDistrib, we can see, for example, that this process remains at the emergence stage, without identification of problems and definition of the lines for discussion, which would definitively move us into a phase of making the stakes of formalising the scheme explicit. The situation is somewhat different in the case of multiple job-holding at Trilogi and PiecElec, where, at the initiative of our research centre, the stakeholders are included and involve themselves voluntarily in establishing a method of regulation. However, this work has not given rise to formalised tools and procedures, because we have not been assigned to do so by the stakeholders concerned.

A third field that seemed relevant to support the variables proposed in our analytical grid is that of inter-company cooperation theories. From the point where work situations that we observe baffle hierarchies as well as the market (Powell, 1990), it is effectively necessary to invent other methods of regulation that enable their desirable nature to be preserved. In particular, the challenge involves creating conditions under which trust can develop between the stakeholders so that they deliberately and voluntarily commit to new collaborative mechanisms. What is also important are the methods by which collective learning can be implemented in order to guarantee the scalability of arrangements required in this context of needs and constraints that are constantly changing. On that point, Trilogi's and QuickDistrib's Human Resources Managers both have a paradoxical viewpoint. They say that cooperation is necessary to allow the emerging multiple-job holding to be sustainable and to develop without being risky for the various stakeholders. The exchange of information and minimal coordination between these companies are at least necessary to avoid, for example, a lack of workers flexibility due to encroachment of the shifts, or a feeling of insecurity among workers linked to a high number of working hours. However, this viewpoint for appearance's sake hides the apprehension of committing to a form of cooperation that is more formalised and likely to result in the creation of a third party structure. Despite the willingness of some union representatives on this subject, none of the HR managers has taken the initiative to substantiate their viewpoint, either in part or in full.

Such mapping of different lines of thought with the categories in the grid must obviously be performed systematically to complete the task of theorisation. It is used here to illustrate the approach undertaken. Nonetheless, we can see, through these several examples, how abduction can take place by making the link between categories emerging from practices following an inductive process and categories drawn from various relevant lines of thought. In doing so, the grid constitutes the first condition for institutionalisation of desirable compromises between flexibility and security, in the general interest.

The second avenue: the primacy of procedural aspects

Abduction enables its contributors to take a step back from the respective needs and expectations of the protagonists. As a result, they can remove themselves from the substantive discussion on the win-win nature of the compromise to direct the debate towards the procedural and formal aspects that

determine it. Such detachment should help prevent entry into purely ad hoc and circumstantial arrangements, by turning the spotlight onto the procedural dimensions that ensure the solidity of such mechanisms.

The contextual and relative character of practices that combine flexibility and security make it difficult to identify substantive characteristics that contribute to conserving the general interest. They are always likely to be called into question depending on changes in the context, needs and relationships of power between the stakeholders, etc. Theorising flexicurity practices can therefore be more easily achieved in reference to procedural criteria than in reference to substantive criteria. Moreover, this trend can be observed in many domains.

As such, the legal framework of many European states has evolved over the last few years towards “method agreements”, making it possible to envisage practical means of implementation, but also means of redress against certain abuses in terms of flexibility, without, however, interfering with the actual content of these agreements. The substance of the compromise is not particularly important, as long as management and labour reach agreement on reconciling flexibility and security which are included in collective bargaining agreements. In Belgium, a recent example of this trend can be found in the collective bargaining agreement of 28/03/07 introducing, in the automobile sector, a “*plus minus conto*”: it allows the legal daily and weekly statutory working time to be exceeded over reference periods of 6 years, corresponding to the production cycle of a new vehicle.

In addition to the domain of industrial relations, attempts at theorisation in other disciplines were primarily focused on content before undergoing a progressive shift towards processes. Taking the example of the theories of motivation, it can be observed that they are primarily focused on motivational content, with the aim of establishing hierarchies (Maslow, 1954) or conveying in dialectal tensions (Herzberg, 1968) the needs that give rise to action. However, insofar as motivation is not restricted to the triggering step, but also involves continual and active regulation of behaviour (Nuttin, 1980), previous research has concentrated on understanding these motivational processes (Vroom and Deci, 1970), by studying the way in which diverse variables interact to influence the behaviour of workers (Michel, 1989).

Philosophy has undergone a similar shift in the face of the complexity of the modern world. Henceforth, the general interest cannot be defined as a common substantial good, and fairness is deemed to be more important than the latter. Because of the great diversity of individual and collective life goals and forms, and also because of the autonomy and the responsibility of individuals concerning the definition and the evaluation of the latter, Habermas thus believes that procedures are the only elements to provide convincing legitimacy for a new standard or institution (Rochlitz, 1991). Ricoeur (1995) shares this point of view, and stresses that the procedure of deliberation itself ensures the primacy of fairness over good, because it totally evacuates a potential common good considered as a reference.

The procedural option therefore considers the multiplicity of lifestyles and social situations as an irrefutable fact (Rawls, 1987). It is based upon the observation that our complex democratic societies, founded on the principle of autonomy of rational subjects, are conveyed first and foremost by a diversity of values, rendering inaccessible, or even dangerous, the search for substantial common ultimate purposes. For our own project, we maintain that the procedure is henceforth a validation criterion for a standard, argument or action. It enables the conditions to be highlighted under which cooperation between stakeholders leads to fair and balanced solutions. The challenge is to de-contextualise the specific issues to ensure primacy of the general over the particular, in the same sense as our analytical grid of practices reconciling flexibility and security.

It should be noted that the variables that make up this analytical grid refer uniquely to formal and procedural aspects. They do not seek to qualify the content of the compromise, for which it would be extremely difficult to reach agreement, but rather the conditions under which it can emerge legitimately. There is thus a progressive passage from analytical level (the grid providing a description

of the reality studied, by breaking it down into a certain number of variables) to prescriptive level (a grid suggesting a certain number of criteria which should be respected in order to reach determined objectives).

Using this procedural basis, the reflexive thinking conducted with the stakeholders in our case study shows that the conditions are not all fulfilled, which explains why the arrangements described are merely at the proto-institution stage, despite the satisfaction expressed by the management of the companies concerned. The current compromise is in fact generally emerging and hardly formalised, does not include all the stakeholders, does not include a system of control and sanctions, etc. As a result, in spite of the voluntary involvement of workers and their employers in the mechanism analysed and the analysis of all the parties' needs conducted by a third party – our research centre – institutionalisation is not genuinely underway. For this to happen, value judgements on the content of the advertising paper delivery work or the quality of the jobs offered need to be ignored, to generate a discussion framework that meets the procedural criteria identified previously. It is in this instance that our grid assumes its operational relevance: for example, it will be necessary to involve all the parties concerned, to bring them together so that they make their own needs and expectations known and so that they can familiarise with the stakes of the other parties. It will also be important to formalise the different steps of the process in order to allow the agreement to be structured and to design rules of control and sanctions that will ensure that the agreement is indeed applied within the framework determined. In this way, as suggests Rawls (1987), it is possible to create a system of socially fair institutions. Each party will be able to express its point of view, contribute to the terms of the compromise and control how it is implemented. In this way, guaranteeing a continual negotiation process will help bring about the adaptations necessary for preserving the aptness of mechanisms in relation to realities in the field. Procedural bearing therefore appears to be a precondition of institutionalisation of emerging compromises.

The third avenue: the crucial role of a third party

The legitimacy-giving effect produced by observing the procedural criteria mentioned above does not however completely remove the risk of reinforcing social domination over the stakeholders who do not possess the required means to promote their own needs and interests. The procedural option remains peripheral to the relationships of power that are at the root of flexibility-engendering practices. It does not reveal much about the power of the stakeholders that make it operational.

Such being the case, the social players are at the very heart of the procedural option: the criterion of inclusiveness is the proof of this. In an inter-company framework, this perspective not only supposes involving all the parties directly affected by the compromise under construction in the deliberation phase, but also to expand the normal sphere of debate by introducing players who normally are not part of it: order givers, partners that make up networks, local and regional authorities, consumer associations, etc.

It is important to assign a partner dimension (according to Nanteuil and Nachi, 2005) to the procedural option which helps to avoid the pitfalls of procedural normativeness eviscerated of any moral principles. This partner option recognises that the social players have a leading moral and political role and focuses its attention on setting up the sphere of deliberation.

Participation of all the stakeholders in drawing up new social regulations is therefore central to institutionalisation at inter-company level. However, voluntary commitment is not sufficient. Whilst the participation of these players finds its legitimacy in the fact that they experience every day the tensions and breakdowns linked to the change in organisational forms, the institutional process supposes that each player involved possesses specific competences. The aggregative process generated by the rule of inclusiveness is not sufficient on its own for the stakeholders to transform the ideas they have of themselves and others. Such competences mainly concern a capacity to step back and take stock of the matters in debate, but also of their own interests and stakes as well as those of the other

stakeholders. It is only under these conditions that institutionalisation can get underway between players that are mutually legitimate and equally competent.

This leads us to suggest a third avenue for developing desirable mechanisms that reconcile flexibility and security. We will in fact highlight the crucial role of third parties in creating the conditions conducive to institutionalisation of new forms of social regulation within inter-company partnerships.

The inter-company context makes it critical to develop social regulation mechanisms. The economic, managerial and social responsibilities are dissociated and spread between an array of partners. In fact, the main aspects of day-to-day management are apparent via interaction with the various stakeholders (suppliers, customers and business partners) rather than within a single chain of command. Some authors refer to this phenomenon as ‘heterarchy’ (Hedlund, 1986). The various stakeholders are economically inter-dependent, but legally independent. The major issue in their interactions lies in the growing dissociation of economic control – which is the domain of the order giver – and the social and or managerial responsibilities, which remain the sole competence of the legally defined employers (Sobczak, 2003).

In these unstable contexts filled with uncertainty, implementation of social regulation is not a natural trend. Indeed, it risks appearing beneficial at any given moment to one of the parties to the detriment of the others, at the very least in a short-term outlook. Furthermore, the inter-company field is not delineated in terms of standards: the regulation mechanisms must therefore be defined from scratch. As such, the intervention of a third party helps to steer the search for solutions that are balanced by taking into account the interests of all the stakeholders through avoiding “spontaneous” arrangements or reproduction of skewed relationships of power as well as the tendency to take decisions unilaterally. The role of the third party (who can be considered to be a translator according to Akrich *et al.*, 2006) is to ensure that institutionalisation of the compromise (resulting from both abductive and procedural theorisation) occurs on a level playing field for all the parties involved. Even though the deliberative enrolment model, which is typical of our post-industrial democratic systems, increases the capacity for social diagnostics and power of its legitimacy, it does not prevent the pre-eminence of majority interests (Maesschalk, 2008).

The third party therefore has the role of permanently assisting the stakeholders to adapt to the new role expected of them in the inter-company sphere depending on the development of the process. This facilitation function – within the meaning of placing the individual and the group as players in their own transformation within a collective context and processes – is not simple, because the stakeholders have not been educated to take on new roles, especially outside the inter-company framework. As such, defensive strategies dominate. Initially, the third party should encourage the parties to develop reflexive thinking in relation to their own experiences so as to enlarge, thereafter, the range of possibilities.

This unusual approach, but which is necessary in the perspective of institutionalising compromises, requires the implementation of conditions conducive to detachment: this is the *raison d’être* of the third party (Argyris and Schön, 1974; 1996). The third party guarantees the stakeholders a continual process of reflexive thinking in regard to themselves and their interests, enabling them to identify the stumbling blocks which they have already experienced and that they know may be repeated. Each and everyone can therefore extract themselves from the conventional field and its depictions to reposition themselves in relation to a new alternative. In the case of Trilogi, this facilitation work has not yet occurred, in light of the absence of a third party function recognised by the various stakeholders.

Identifying the third party, who translates the different interests present, is an especially delicate operation. It may be a person or group of people who display sufficient guarantees as regards legitimacy, impartiality and credibility. In the case of inter-company partnerships, it may be a local authority agency, a chamber of commerce, a research centre, a consultancy firm, etc. In some cases (such as in Dutch flex-pools), there have appeared players who have a direct interest in managing

social regulation at inter-company level, such as temporary work agencies. In this case, it is legitimate to ask whether they can provide the necessary impartiality for the different protagonists concerned.

In the German metallurgy industry, labour pooling systems can be observed. They are set up and coordinated via the creation of a virtual third party structure made up of all the parties involved. In this case, the third party is no longer a third party person, but a collective structure taking the place of the third party, an actant within the meaning of Akrich *et al.* (2006) who highlight the influence of non human in the innovation process. In this example, it is the process of creating a third party itself that is important, the “structuration” of the third party concept (Volckrick, 2007), more than the mediation and reflexive action of a third party in relation to the stakeholders in the pool. It is the parties themselves who develop in the field their own standards governing their interactions, and creating this third party structure is a way of fostering third party reflexive thinking.

However, whether the third party is an actor or actant, the issue of the conditions for exercising this function remains central. The raw bones of a response to this question can be found in the theories of institutional entrepreneurship which in particular question the capacity of institutional entrepreneurs to assume this third party function to enable new institutions to emerge. On this point, the various authors are in agreement in underlining the position of a subject (Bourdieu, 1990; Foucault, 1972) that these institutional entrepreneurs must occupy, both from a formal and social point of view. This position gives them a certain amount of legitimacy in the eyes of the various stakeholders in the field and the capacity to create links between these different stakeholders to form a uniform and actionable group of previously dispersed resources. It is also important for these players to have social competences (Fligstein, 1997) enabling them to modulate their discourse in accordance with the stakes of the different stakeholders so as to mobilise them in achieving the shared goal.

However, it is important to not make amalgams between the third party, whose crucial role we highlight, and the institutional entrepreneur. Whilst all third parties contribute to the institutional entrepreneurship process, all institutional entrepreneurs are not necessarily third parties. The institutional entrepreneur can in fact be one of the stakeholders in the compromise; in such a configuration, they cannot be impartial. Moreover, a number of authors have highlighted that one of the driving forces behind the institutional process is the interest for the institutional entrepreneur to extract themselves from the isomorphic pressure to help the emergence of new institutions (Beckert 1999; Rao 1998; Fligstein and Mara-Drita, 1996).

The sociology of translation, or the actor-network theory, might be very fruitful in throwing light on the third party concept. This theoretical framework examines the conditions that make an actor the “translator” of an innovation process. Akrich *et al.* (2006) specify that in fact they must be people who display sufficient guarantees of legitimacy, impartiality and credibility. The presence of these characteristics helps to ensure that the quality of what is proposed is not liable to be contested on the grounds of the point from which the identification of problems is formulated.

In the case of flexibility and security reconciliation at Trilogi, our research centre is recognised by all the stakeholders as credible and impartial. In fact, it boasts recognised expertise in these subjects and its university status implies an outside viewpoint and neutrality in relation to the respective stakes. However, these assets are not sufficient for it to enjoy total legitimacy in light of the absence of an official assignment granted by the stakeholders.

Attempts to bring the stakes out into the open and to search for solutions have however been initiated. Our research centre is carrying out an in-depth analysis of Trilogi’s workers needs as far as flexibility and security are concerned. This clarifying work is also being carried out with the trade unionists and with the managers of the studied companies. On this basis, our centre proposes a description of the respective needs with the help of categories relevant for all stakeholders, characterizing their formal dimensions (in terms of continuity, foreseeability and cyclicity) instead of their content. We also describe their scope and the degree of constraint (Pichault and Xhaufclair, 2007). We validate this description with the holders of these needs. All the parties agree that the current situation is

unsatisfactory on many grounds, even potentially dangerous and conducive to conflict (risks in terms of wage security, working life balance, working time foreseeability, etc. for workers; in terms of workplace safety and health, and availability of the workforce for employers).

On the basis of these analyses, feedbacks and validations, various compromise scenarii are proposed and tested with the managers, the workers and their representatives. Nevertheless, the institutional dynamic is not getting under way, and the multiple-job holding modes are not evolving. These players are having difficulty in breaking away from their traditional framework of action, to envisage solutions to the needs in question that would provide balanced and satisfactory solutions for all.

It is clear that the intervention of a third party assigned by the various protagonists to conduct a process of reflexive thinking with them and to set up the conditions for their empowerment — whether it is a research centre such as ours or any other player or group of players with the necessary capacities — is necessary to move beyond the simple status quo. Through the reframing orchestrated by this third party, the parties involved manage to reach agreement on joint definitions of the situation and be able to progressively enter into an agreement. And yet, in Trilogi's case, we have not been given this assignment and we have not been able to transform our attempts to explain into a common problematization. Without any legitimate third party, it was not possible to kick-start the institutionalization process.

Conclusion

This article proposes three avenues by which it seems possible to institutionalise the new compromises that reconcile flexibility and security. The question is to understand whether it is possible to move beyond the stage of the quick fix, to implement within inter-company partnerships regulation mechanisms that are socially desirable and responsible as well as legitimate for their stakeholders. In these inter-company contexts, in fact, the conventional means of social regulation prove to be obsolete, due to the dissociation between the legal and organisational perimeters.

Our first avenue suggests implementing, with regard to a specific problem of reconciling flexibility and security, an abductive theorisation process, based on linking the categories drawn from the practices of the stakeholders to already existing theoretical categories. The stake, at this stage, is to give legitimacy to the formalisation generated by debates between the stakeholders in the compromise. This initial aspect of institutionalization is vital so that the stakeholders can enter into a debate structured around realities that can be understood by all.

The second dimension of institutionalization is based on the elaboration of procedural rules for resolving the initial controversy. These rules must concern the entire decision-making process. The institutionalisation of the agreement entered into depends on their respect, because in the context of hybridization of reference standards, only procedural criteria alone can ensure a certain degree of equity and the preservation of the general interest.

This procedural option is not sufficient, however. The challenge is to ensure effective involvement of all the stakeholders, including those who to date have remained on the touchline of conventional regulation, as fully integral partners in social regulation. From that point of view, inclusiveness is anyway a basic procedural criterion. However, the stakeholders' commitment to this approach can only meet with success if they are capable of reflexive thinking with regard to their own needs, stakes and working methods, and those of their partners. To help this capability to emerge amongst the players in inter-company partnerships, most often preoccupied with their own operational constraints, the intervention of a third party proves to be an essential precondition. This condition represents the third avenue in the perspective of institutionalising new compromises. This third party guarantees the balanced nature of the compromise: it allows the process of reflexive thinking and deliberation to be removed from the relationships of power between the players allowing the focus to be placed on legitimate propositions for all.

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