Financialization, Globalization and the Management of Skilled Employees:
Towards a Market-Based HRM Model in Large Corporations in France

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Abstract

The paper analyses the transformation of HRM policies for skilled employees in large corporations in France over the last decade in relation to changes occurring in governance patterns and competitive strategies. First, we highlight a shift towards globalization and financialization in the strategic management of large corporations in France, entailed by the diffusion of a shareholder form of capitalism in that country. Second, we characterize the market-based HRM model applied to skilled employees under these new strategic orientations, and the diversity of ways in which these transformations are perceived depending on employees’ age and level of responsibility within the firm.

Key words

France – Skilled Employees – Globalization – Financialization – Market-based HRM

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While the late 1980s and early 1990s witnessed the rise of a literature seeing investments in human resources on the basis of broad employee training, employment stability, and participative management as key sources of competitive advantage (Appelbaum and Batt, 1994; Kochan and Osterman, 1994), the late 1990s brought growing scepticism regarding the potential diffusion of such participative management model in the new ‘high performance’ workplace. In the US, the continuous restructuring of large corporations threw doubt on the capacity of the economy to continue to provide the type of employment security historically developed in large corporations (Capelli et al., 1997; Doeringer et al., 1991). Leading American thinkers on employment and the labour market highlighted the rising pressures exerted by the investment community on large corporations in the direction of cutting costs and improving profits, and expressed concern over the resulting adoption by large firms of HRM policies geared not only at downsizing, on the basis of dismissals and subcontracting, but also at ‘treating labour much like their “just-in-time” procurement of other factors’ (Capelli et al., 1997:7) through continuous hire and fire on the labour market. Announcing the demise of American internal labour markets, Capelli strongly argued that ‘career jobs [were] dead’ (1999a) and companies were ‘managing without commitment’ (2000) a ‘market-based employment relationship’ (1995; 1999b).

On the basis of interviews conducted in 2004-2005 with HR managers and skilled employees – including both managers and professionals1 – primarily belonging, or having recently belonged, to 6 prominent multinationals in France (see appendix), we argue that such market-based HRM model has gained growing influence in large corporations in France (II), and identify a rationale for promoting market-based management in the combined shift towards ‘financialization’ and ‘globalization’ observable in corporate strategies in our sample (I). We conclude by highlighting the consequences of these strategic shifts in terms of greater
insecurity and inequality of treatment among employees, signalling a reduced capacity of French capitalism to offer employment protection and stability to core workers in large corporations.

I. The rise of global financialized corporations in French capitalism

During the 1980s and 1990s, developed countries have undergone a major shift towards a new form of ‘patrimonial’ (Aglietta et Rébérioux, 2004) or ‘shareholder’ (Williams, 2000) capitalism. Characterized by the growing importance of financial markets in the economy and the rise of institutional investors as prominent shareholders of large corporations, the transformation initiated in the United States during the 1980s, when institutional investors had accumulated amounts of collective savings large enough to exercise significant buying power on financial markets (Lazonick and O’Sullivan, 2000). Spreading to European countries such as France over the following decades, these changes in the governance patterns of large corporations were closely intertwined to a shift towards global patterns of competition (1.1), as observed in the six multinationals of our sample (1.2).

1.1 Diffusion of a shareholder value ideology

Within the context of corporate ‘financialization’ where objectives to increase shareholder returns have become dominant in the strategic management of large corporations (Williams, 2000), greater investor pressures have been passed onto top management through a variety of devices implicitly promoting a transfer of risk from shareholders to the corporation and in turn from the firm to employees and suppliers, as observed in the US during the 1980s and 1990s. Lazonick and O’Sullivan (2000) argued that major US corporations then shifted from a ‘retain and reinvest’ strategy, primarily using cash flows to sustain growth, to a...
strategy of ‘downsize and distribute’ coupling work externalization and dismissals to greater cash flow distribution to shareholders in the form of dividends and share buy-backs. The average annual distribution rate of dividends increased from 42.9% to 58.5% between the 1970s and 1990s, while annual share buy-backs over the 1984-1996 period varied from 12% to 30% of corporate profits (O’Sullivan, 2000).

While shareholder capitalism spread from the US overseas during the 1990s, the magnitude and significance of these changes generated some disagreement in the ‘variety of capitalism’ literature. A uniform process of convergence towards shareholder capitalism could not be observed across countries (Dore, 2002; Jackson, 2002; Dore et al., 1999). Hall and Soskice (2001), among others, acknowledged the rise of global forces acting to spread market-oriented devices throughout developed economies, but doubted their capacity to drive so-called ‘coordinated market economies’ and other atypical forms of capitalism towards fully liberalized market systems. Such was the case of France where the state played a strong coordinating role, notably in promoting the recovery and growth of the post-war period based on large state-owned corporations, control over industrial credit, and the rise of a technocratic elite sustaining close ties between state administration and the top management of large corporations (Hancké et al., 2007). In the mid-1980s, under impetus to build up scale on the European market, the state engaged in a series of reforms including the privatization of large firms and deregulation of financial markets (Hancké, 2001; Djelic and Zarlowski, 2005). However, during this privatization wave as in the following one of the mid-1990s, the French government organized the formation of what Morin (1996) called a ‘financial core system’ made of intricate cross-shareholdings among major French corporations. Typically 10% of shares were sold to employees, 15% to foreign investors, 50% to the public, and 25% to core shareholders (O’Sullivan, 2002). These systems of stable shareholding were established to protect corporations from foreign takeovers and gave de facto substantial autonomy to a
managerial elite that escaped direct control from both the State and institutional investors, producing a distinctive form of financialization in that country (Schmidt, 2003). Although the share of foreign investors in the equity of large corporations climbed from 10% in 1985 to 35% in 1997 and 46% in 2005, reaching higher levels in France than in other European countries such as Germany and the UK (O’Sullivan, 2002; Schmidt, 2003; Poulain, 2006), they rarely gained a majority position in the equity structure of French corporations other than as a group collectively owning a large aggregate of minority stakes. Corporations continued to be controlled by non-institutional core shareholders including families and management allies, even though the average equity share of these non-institutional shareholders declined from 30% to 20% over the 1990s (Morin, 2000).

Beyond France, a comparative study of ownership patterns in the 20 largest food multinationals in Europe revealed comparable differences in the type of shareholders exercising control over firms of various national origins (Palpacuer, 2008). While the top ten shareholders held an average position of about 40% of total equity in both American and European firms, institutional investors predominated in American corporations where they controlled an average of 83% of top ten equity but owned only 41% of top ten equity in European firms where committed shareholders including families and strategic allies continued to hold dominant positions. Against this background of persisting national specificities, a convergence process could be observed between the late 1990s and early 2000s when large European firms such as Danone, Nestlé and Unilever engaged in financialization strategies characterized by intensified communication with financial analysts and investment managers, the launch of share buy-backs programs, rising dividends per share, stock-option policies for top executives, and the use of EVA-type of indicators to monitor performance and reward executives (ibid.). Morin (2000) observed similar changes over the same period in large corporations in France. Although the transformation was not uniform across
corporations and few actually adopted the whole set of tools associated with financialization (Djelic and Zarlowski, 2005), the magnitude of change was undeniable, especially with regard to cash flow allocation: CAC 40 corporations distributed 60% of cash flow to shareholders in the form of dividends and share buybacks in 2007, while dividends alone increased from 27% to 39% between 1987 and 2007 (Quiry and Le Fur, 2008).

Considering the persisting – if declining – ‘financial core’ in shareholding structures, the origin of such changes did not lie in direct pressures stemming from major institutional shareholders. In a transformed French context characterized by greater autonomy of top management, the strategic shift towards financialization was rather deliberately initiated by corporations that simultaneously engaged in global strategies on products markets with the primary aim to build and maintain leadership positions on a transnational rather than domestic level. The largest French firms pursued rapid international growth in the 1990s, generating an intense activity of mergers and acquisitions by which firms built up their market base in businesses where they could aim for global leadership (Goyer, 2001; Picard, 2003). A commonly held view among observers of these changes consisted in seeing corporate efforts to meet financial markets’ demands as a way to boost stock price in order to finance international acquisitions either by public share exchanges or debt – provided that the debt/equity ratio measuring a firm’s borrowing capacity was calculated on the basis of the market rather than accounting value of equity (Commissariat Général au Plan, 1999; Djelic and Zarlowski, 2005; Picard, 2003). Some emphasized that firms had chosen this form of ‘financial dependency’, playing by the rules of institutional shareholders to boost share prices, in order to avoid falling into a form of ‘industrial dependency’, i.e., being acquired by global competitors, in a context where the partial dismantling of cross-shareholding arrangements made firms more vulnerable to multiplying hostile takeover bids on the French market of the late 1990s (Commissariat Général du Plan, 1999; Montagne et Sauviat, 2001). Others
underlined that by making such a choice, top executives had formed a new alliance with key agents on financial markets, thus breaking up the old Fordist alliance historically established with employees inside the firm to form a new power sphere at the global level, increasingly disconnected from employment and production patterns at the local level (Boyer, 2000, 2005; Palpacuer, Seignour, Vercher, 2007). By intensifying communication with the financial community, top managers – whose financial interests became aligned with the equity return objectives of shareholders thanks to stock option distribution reaching particularly high levels in France (Goyer, 2001; Schmidt, 2003) – promoted a strategic model based on global specialization in core businesses as so-called ‘pure players’, investments in branding, marketing, R&D and product proliferation, and disinvestment and/or systematic cost reduction in manufacturing and basic service processing, as holding superior capacities for scale economies and shareholder value delivery. Investors’ and top managers’ rationales thus became mutually reinforcing, a global strategy on products markets both necessitating strong stock prices and being expected to produce superior shareholder returns (Batsch, 1998; Morin, 2000).

1.2 Financialization and globalization in corporate strategies

A shift towards globalization and financialization could be observed in the six multinationals of our sample although at various times, to different degrees and under distinct forms across the various cases. Table 1 summarizes the main characteristics of ownership structures, the symbolic moment signalling a reorientation towards global financialized strategies – associated in all cases with the launch of share buyback programs and rising dividends per share over the following years –, and the main changes undertaken by these corporations on product markets. Our objective in selecting these firms was to explore transformations occurring in a variety of sectors including traditional and high tech industries
as well as services, and in firms of diverse nationalities including mainly France (Axa, Alcatel, Danone, Carrefour) but also other European countries (Nestlé) and the US (IBM), all holding leadership positions in French and global markets.

Insert table 1 about here

The merger of *AXA* with its major French competitor UAP in 1996 actually symbolized what Morin (1998) called the ‘grande rupture’ in an influential report prepared for the French government on the rise of foreign institutional investors and shift towards a more financialized form of capitalism in the national economy. AXA and UAP respectively occupied strategic positions in the intricate web of cross-shareholdings established in the 1980s. The newly merged firm thus potentially became a central actor for the coordination and regulation of national economic activities. Nevertheless, Claude Bébéar, then at the head of the corporation, deliberately chose to sell stakes in a number of major French firms such as Crédit National (12,4%), Schneider (7,1%) and Suez (6%), and to retain only shareholdings considered as strategic as BNP (12%) and Paribas (9,76%) while placing other shareholdings in a newly formed investment portfolio to be managed according to Anglo-Saxon norms for financial returns. Under this new configuration, AXA took a strategic turn to become a world leader in assets management and financial protection. Foreign investors bought blocks of shares previously held by allied corporations, thus increasing their participation in the merged company up to 37% in 1998. Core shareholding – including insider control and interlocking arrangements – subsequently declined from 36,6% to 11% between 1998 and 2008 while the share of foreign institutional investors reached 45%.

*Alcatel* – then Alcatel-Alsthom – also occupied a key position in the French ‘financial core system’ through cross-shareholdings with AGF, Société Générale, UAP, and Générale
des Eaux among major French firms. Its ‘financial core’ significantly shrunk during the mid-1990s down to 20% in 1998 while foreign institutional investors collectively acquired 40% of shares. Core shareholding further declined to 11% in 2005. The arrival of Serge Tchuruk at the head of the firm in 1995 gave the signal of a strategic transformation of this conglomerate privatized during the first wave of the 1980s and still holding close ties to the State. Having split from Alsthom in 1998 and sold its stake in 2001, Tchuruk aimed to refocus Alcatel on the telecom industry through aggressive divestments and focused international growth in three core businesses (mobile, fix, and private communication), while launching a massive plan to externalize manufacturing. A signal of close interdependence between corporate strategy and shareholding was given in September 1998 when Alcatel’s stock price declined by 38% overnight in response to a profit warning made by the top management. Despite the following launch of a share buyback program, it took over a year for the firm to regain its pre-crisis stock price.

The shift towards financialization and globalization strategies was also associated with the arrival of a new CEO at Danone and Nestlé, respectively in 1996, when Franck Riboud succeeded his father at the head of the French food firm, and during the following year at its Swiss competitor. Antoine Riboud had built a multi-domestic, diversified food multinational on the basis of acquisitions typically financed by issuing new shares, that is, with few if any concerns for shareholder value (Pérez, 2004). His son chose to tackle demanding contemporary challenges: ‘I had an ambition of globalization (...). EVA was very fashionable at that time, so we did a value creation exercise. We questioned the quality of our brands, all classic levers for value creation. We decided where we had to internationalize in order to generate growth.’ The product/market portfolio of the corporation was refocused on three global businesses including beverages, dairy products, and biscuits (sold to Kraft Food in 2007). The influence of financial markets on corporate strategy manifested itself most
strikingly in November 2000 when Danone’s stock price sharply declined following Riboud’s public announcement of his interest in acquiring Quaker Oats through stock exchanges. Analysts and fund managers feared a decline in the rate of financial return that Danone had started delivering in recent years, and Riboud had to give up the deal. Due to its high proportion of floating shares (85%) of which an estimated 47% were owned by foreign institutional investors in 2007, Danone remained vulnerable to takeovers.

*Nestle* stayed more diversified following Peter Brabeck’s arrival at the head of the firm in 1997, but its dozen activities were progressively reorganized into six major product segments in order to provide shareholders with more ‘visibility’ on the firm’s profit generating potential. Nestlé started increasing dividends per share in 1998 and launched a share buyback program during the following year. Although the firm retained a highly dispersed ownership structure, thus avoiding the direct influence of any major investor, Swiss shareholders receded from about 50% to nearly 30% of ownership while US investors climbed from nearly 10% to 33% of shares between 1999 and 2007. During a conference call in February 2001, CFO Mario Corti gave explanations for the 28% increase in dividend distribution decided by the firm despite a lower growth in profits per share in 2000: ‘It is a sign of our confidence in our ability to deliver in the future (…) We want to bring [the pay-out ratio] more in line with global competitors in order to preserve the firm’s financial strength to conclude even very large transactions such as the acquisition of Ralston Purina.’ Made in 2000, this acquisition gave Nestlé a prominent position on the US pet-food market in one of the main business areas that the corporation had targeted for global growth.

*Carrefour* became number two on the global retail market following its merger with French competitor Promodes in 1999. This major scale shift was arranged by families holding major positions in the ownership of both corporations. The deal placed the Haley family, previously owning Promodes, at the top of the new shareholding structure while Daniel
Bernard, the CEO of Carrefour, continued to head the merged corporation. The new Carrefour built up significant leverage in both country scope and retail format, and the merger came in a period of sustained international acquisitions by which the firm reached a rate of foreign to total revenue of 51.8% in 2007. Despite decelerating sales growth from the mid-1990s on, the firm managed to increase return on invested equity and maintained dividend distribution at about 40% of profits (Baud and Durand, 2008). A tight coupling of international expansion to financial market performance was demonstrated in 2005 when Daniel Bernard had to leave following a profit warning made in the fall of 2004. The financial orientation of the firm was reinforced with the exit of the Haley family and entry of the Arnault Group – a legal entity established by Bernard Arnault, majority owner of the French luxury group LVMH – together with the US investment fund Colony Capital as major shareholders in 2007.

In the last firm of our sample, IBM, American institutional investors occupied most of the top ten ownership positions. Its strategic turn was one of many undertaken by American corporations to restore profitability and increase shareholder value from the 1980s on (Capelli, 1999b). It coincided with the arrival in 1993 of Lou Gestner, the first CEO not recruited from internal ranks in the firm’s history, who ushered in stringent financial control and undertook to redeploy the core business of the corporation, historically built in computer development and manufacturing, towards global business services. The transformation unfolded through the following decade up to the sale of IBM’s PC division in 2005, following a series of important acquisitions in consulting (PricewaterhouseCoopers) and software (Rational Software Corp.) in the early 2000s. From 2000 to 2007, IBM redistributed 78% of net income to shareholders through stock repurchases (63%) and dividend distribution (15%) (Lazonick, 2008).

II. Towards a market-based HRM model
How did such changes towards financialization and globalization in corporate strategies affect human resources management? In large US corporations, work communities were disassembled and the market – characterized by depersonalized, bilateral short-term exchanges – became a dominant coordinating mechanism and underlying rationale for HRM policies. While such transition and its origin in the financialization of corporations and the economy have been well established in the US and the UK (Jacoby, 2005; Deakin et al., 2003; Gospel and Pendleton, 2005), the effects of changing patterns of capitalism on employment relations in European countries remained more controversial. Conway et al. (2008) summarized this debate by opposing a ‘constraint hypothesis’, stemming from research linking financial pressures to lower job tenure, cost cutting and adversarial worker-management relations (Deakin et al., 2002, 2003), to a ‘partnership hypothesis’ according to which financialization was compatible with, if not conducive to, greater investment in training, higher wage levels, workers’ commitment and a long term horizon in worker-management relations, as observed in case studies in the UK (Deakin et al., 2006), Germany (Jackson et al., 2005), and in a survey in France (Perraudin et al., 2008). Conway et al. (2008)’s survey analysis further confirmed the existence of some correlation between a corporate status as listed company and resort to training, teamwork, and performance-based pay in France, thus bringing support to the ‘partnership hypothesis’ in that country. Likewise, Hancké (2001) made the point that greater financialization in French capitalism did not come at the expense of workers insofar as a strong legal system continued to offer employment protection and geared worker-management relations towards a long term perspective (also see Hall, 2007).

Indeed, within the French institutional context, and since the 1973 national labour law, employers must provide a legally-recognized reason, either ‘economic’ or ‘personal’, for
dismissing workers. The former relates to a firm’s employment policy – including downsizing – while the latter pertains to an employee’s faulty behaviour or insufficient performance. When economic dismissals reach a threshold of 10 within a 30 days period, they fall under a ‘collective’ – as opposed to ‘individual’ – dismissal procedure further requiring the employer to inform the local union and labour department of dismissal plans, to give priority to displaced workers in subsequent re-hiring, and to demonstrate that no job alternatives could be offered them elsewhere in the company – worldwide in a multinational. Surprisingly, although downsizing plans regularly made the headlines of the business press, ‘economic’ dismissals declined from 409,000 in 1995 to nearly 255,000 in 2005 while ‘personal’ dismissals grew from nearly 350,000 in 1995 to 585,000 in 2005, to become prominent in the country with an increase from 46% to 70% of total dismissals.3

‘Personal’ dismissals, if still requiring a legal reason, fall outside the traditional scope of labour unions intervention so that their statistical increase places a growing number of employees in situations where they are isolated vis-à-vis employers and can only resort to court – the so-called Conseil des Prud’hommes formed of elected representatives of employees and employers – to contest dismissal conditions. As a consequence of such change in firms’ dismissal practices, the French institutional context could be considered to have become less protective of employees than was the case when economic dismissals predominated in the country. A 2001 analysis of national statistics further indicated that dismissals for ‘personal’ reasons were more frequent in the high tech sector and in large establishments having adopted objective-based management and performance appraisal systems, that is, in some of the higher skilled, most sophisticated workplaces in the country. Among displaced workers, ‘personal’ dismissals were more frequently encountered for skilled employees – managers and engineers – than for other employment categories, respectively in 28.8% versus 12.3% of cases of unemployment registration (Pignoni and Zouary, 2003).
Studies testing the ‘partnership hypothesis’ by focusing on training expenditures, wage levels and teamwork might thus have overlooked the significant if barely visible rise of ‘personal’ dismissals, gaining media attention only in rare cases when dozens of workers succeeded in contesting the legal reasons given for their dismissal at a given firm, as experienced by Alcatel in 2004 (Seuret, 2006). Consequently, we chose to focus on issues of job stability and the nature of employees’ attachment to the firm in investigating the ways in which these ‘personal’ dismissals were used and embedded in broader HRM systems for skilled employees in the six multinationals of our sample – with complementary interviews in smaller, mainly high tech multinationals (see appendix). The results presented below focus on cross-case similarities rather than differences – for reasons including confidentiality – and on the overall patterns that could be seen as unfolding, at various times and to different degrees, within the firms studied. In such patterns, we did not seek to systematically differentiate the respective influences of financialization and globalization insofar as these were closely intertwined in corporate strategies. Following Capelli (1999b) and others, we adopted a ‘configurational’ approach seeing corporate choices on labour, product and financial markets as interrelated and not necessarily lending themselves to measuring the influence of an isolated variable over another (Miller and Mintzberg, 1983). Beyond corporate discourses, special attention was devoted to the ways in which skilled employees experienced their relationship to the corporation, career path, and dismissal for ‘personal’ reason. While our case studies were by definition limited in scope, they allowed us to identify the intricate and firm-specific ways in which the influence of financialization and globalization unfolded in the management of skilled employees and contributed to greater employee turnover (2.1), enhanced precariousness of employment at global and local levels (2.2) and a normalization of dismissals for ‘personal’ reasons (2.3), thus reducing employment protection and stability for core workers within the firms studied.
2.1 Opening internal labour markets

The shift towards global financialized strategies acted as a major impetus to open internal labour markets, by requiring a new set of managerial skills that corporations could obtain on the basis of external hiring rather than internal promotion: ‘It’s been a very tricky moment, with the exit of many historical figures (...) and at the same time, the building of a new [X] refocused on three businesses at a rapid pace on international markets (...) and the entry of new managers inside the firm’ recalled a former HR Director (Employee 6). ‘We said “we need people that we can send abroad on new operations, and people that can bring in their experience of other multinationals.” So we started recruiting managers with a very different profile than those we had (...). That was a cultural revolution’ (ibid.). With unequal speed and intensity, the HRM policies of the firms studied were evolving towards an ‘up or out’ system where managers had to leave after a few years if they didn’t climb up hierarchical ladders: ‘The logic is, on the one hand, there are too many people at any given time. On the other hand, they say “he’s 40, he’s good at his job. For a future job, there are already 10 people, and may be 2 are not good, 7 are very good, and the 8th is very very good. And well, there’s that younger fellow who just came in and who’s doing well.” So it’s better to deal with the issue now than to give him another job and postpone the problem at a higher cost in the future’ (Employee 17).

Rather than internal promotion, financial compensation based on individualized, performance-oriented schemes played a central role in the market-oriented relationship that companies aimed to develop with employees. Several HR Directors underlined the American origin of such shift: ‘Compensation. That’s the only mission for the HR department at corporate level. It became more important since we moved headquarter to the US (...). In the US they do no training, no recruitment...that’s all externalized. They focus on compensation’
(HR Director). ‘We’ve put in place a number of HR tools and we did it in a radical way: very high bonuses compared to the base salary, stock-option policy…well, an international executive management policy’ (HR Director, Employee 6). Combining carrot and stick, performance assessment systems were used not only to reward but also to sanction: ‘We try to stimulate individual performance contribution so we say to the best people: “you’ll have a higher salary and you’ll have a stronger performance-based bonus”, and for those at the bottom of the scale there are consequences in financial terms, for career perspectives, etc.’ (HR Director). ‘The pressure on achieving results is increasingly strong and people feel that they are put into question very, very quickly. Today, a guy who doesn’t meet his objectives gets fired, there’s no questioning of whether that can be explained by the local context, the context of the brand, etc.’ (HR Director, Employee 6).

Using the Fisher Exact test of independence, we identified significant differences in the ways in which skilled employees of various ages experienced this shift towards a more contractual employment relationship. We used an empirically derived distinction between ‘seniors’ defined as aged 40 or more, and ‘juniors’ younger than 40 (see Table 2). When talking about past work experience, seniors emphasized the role of internal careers based on employment stability and competencies development policies: ‘It was the big firm of [the former CEO] before, the mobility was part of his famous “Xgrams”. Well, they have disappeared, these Xgrams’ (Employee 19). ‘At [the company] you could go to [a subsidiary] and work in construction, then to [another subsidiary] in food catering…’ (Employee 13). Senior employees demonstrated a strong attachment to values of solidarity that a strong social policy had helped to promote within their company: ‘There’s always been a very important social policy, including profit sharing. It’s a company that redistributed a lot to its staff, and well, nowadays that kind of thing is gone’ (Employee 5). ‘I came in 1979, when [the former CEO] was putting in place his social and economic policy (…). There was a will to manage
the company in such a way that we wouldn’t develop economic projects without looking at their social aspects’ (Employee 6).

The distance expressed by junior employees stood in sharp contrast with seniors’ nostalgia of a firm-based community. Juniors had difficulties adhering to a corporate culture that they perceived as highly normative: ‘They do not aim to train people. They aim to format you, but they do not train you’ (Employee 9). ‘There’s a model of the perfect employee for each position according to various variables: capacity to meet objectives, project management skills, personal development, etc.’ (Employee 3). ‘There’s a manipulative dimension in these corporations, there’s compensation, there’s a lot of things, the social life, etc., that’s also a form of control’ (Employee 8).

These juniors were distancing themselves from the firm in such a way that the trust component experienced by seniors was almost non-existent: ‘We’re no longer on the more or less open paternalism telling you that without the enterprise, you’re nothing. You make friends in the company, but it all blows out at the first financial difficulties (…). When you use short-term employment as a management policy, you shouldn’t be surprised that employee loyalty declines’ (Employee 10). ‘I consider that my level of loyalty towards my employer stops at the level of my employer’s loyalty towards me. So, nowadays, weak’ (Employee 8). Having experienced a dismissal played a role in the formation of such distanced attitudes: ‘So yes, [the dismissal] changed my way of seeing things because maybe I was a very idealistic person, enthusiastic. I’m not saying that I won’t be again, but I know that enterprises obey a financial logic. I knew it a little bit deep inside but it had not come out so directly’ (Employee 10). ‘Juniors have no illusions and we go little by little towards a contractual relation, knowing that we will never be able to reduce work to a monetary transaction, we will continue to develop something but there will be a part of ourselves that will be out of the job’ (Employee 8). Consequently, juniors were attempting to better balance their professional and
personal life: ‘Some people only have work in their life. If that goes wrong, it can affect their morale’ (Employee 12). ‘It’s the end of this totally unbalanced approach, this view that top management jobs are a privilege so that they should be deserved by working like a slave’ (Employee 22). ‘Even a consulting firm like [X], where I worked and God knows that they’re not hippies, is starting to give sabbatical leaves to consultants. They don’t do it out of kindness but because they know that today it’s become more and more necessary just to retain the guys’ (Ibid.).

Insert table 2 about here

2.2 Distinct patterns of precariousness at global and local levels

Although the market became a strong feature of employment patterns in the firms studied, it was put to work in very different ways depending on employees’ level of responsibility. Corporations continued to actively manage the career of a small elite of ‘high potentials’ (Falcoz, 2004) trained to implement global financialized strategies on the basis of accelerated job rotations across countries and business units within the firm. ‘High potentials’ (HPs) typically stayed for an average of 2-3 years in a given position. They benefited from dedicated compensation schemes including stock options and accelerated compensation growth, and followed specific training programs such as multifunctional, multinational teamwork exercises aimed at developing their capacity to identify sources for financial performance improvement under tight time constraints at a given site or subsidiary. However, HPs did not benefit from any explicit or implicit promise of employment security. If one failed to meet work objectives in a given project, he or she could lose the HP label without notice or be asked to leave the company altogether. ‘It’s a little bit, you know, like the church
choosing its bishops: you build up a list and you take out names. You put some people under close scrutiny by moving them every two years and all of a sudden you take them out because here it didn’t work, there they’ve shown their limits, etc.’ (Employee 10).

At the local level, skilled employees were to take responsibility for managing their own career under market-oriented conditions. Intranet job fairs had been set up at a number of firms in order to match internal job demand and supply: ‘You arrive at [X], I will give you access to all the information and processes that will allow you to work on your own career in our company. It’s up to you to use these information and tools’ (HR Director). ‘On the intranet, it’s the seller [the hierarchy] and the buyer [the employee] that take over at the expense of the HR function’ (Employee 8).

The segmentation of HRM between global and local levels was implemented in various ways in the firms studied, from a deliberately dual system to a more nuanced mix of high potential and traditional career systems. It translated into distinct work experiences and career opportunities for ‘global’ (n=8) versus ‘local’ (n=14) employees (Table 2). The former played a key role in running globalization and financialization strategies: ‘When I arrived at [X], (…) I started looking at the numbers and I said “Considering ratio targets for the firm, we need 300,000 euros of sales per employee, so we have an excess of 47 employees.” That’s how it goes’ (Employee 7). They were selective and exercised some bargaining power with employers: ‘They gave me an overview of the company. I liked the people. I liked the size a lot: 700-800 people worldwide, large enough and still at a human size. And they offered me an interesting challenge. So I agreed to join them’ (Employee 21). At the same time, global managers were expected to maintain unfailing work performance and quickly seize career opportunities inside or outside the corporation: ‘To wait for propositions would be perceived as a weak capacity to project oneself in the future and that would be a risky behaviour’ (Employee 22).
Local skilled employees felt downgraded to a subordinate role. Their discourses converged to portray changes towards new forms of control and decision-making that they perceived as more remote, depersonalized, and less predictable than in the past: ‘We didn’t know where [the top management] was heading, they would never say clearly “that’s where we’re going”. Departments like mine were to disappear from one day to the next and we didn’t know it’ (Employee 1). ‘The bosses were always changing, a lot of mobility, people arrived that we didn’t know, assigned to be our chiefs, and a year later they were gone’ (Employee 12). Consequently, people found it more difficult to understand the logic and orientation of their own work: ‘Nowadays, managers are asked to work and they do not even understand why. […] You get orders, they tell you to go right, then they tell you to go left, you’re asked to work without knowing where you’re going’ (Employee 19).

Local employees perceived that equal chances and attention were not given to all in the corporation: ‘There’s a strong management policy for executives, but not for skilled employees’ (Employee 19). ‘There’s no training for skilled employees, I asked for a training program but I never got it, there was no time. They put you in the pot and it’s “find yourself the way out before it’s too hot!”’ (Employee 6). This population expressed more critical opinions than its global counterpart regarding corporate focus on short-term financial returns: ‘The pressure became very strong on all the department. We worked in open space, everyday we looked at sales data, almost hour after hour at the time of a new product launch, that was nonsense’ (Employee 3). ‘We get to report every week. That’s nonsense. It becomes completely crazy. The problem is, reporting is not used as a management tool as it used to be, it’s a form of control and it becomes a weapon’ (Employee 19). Such pressures gave rise to a pattern of ‘forced cooperation’ (Coutrot, 1998), i.e., cooperation induced by competitive forces rather than social cohesion: ‘Some of our objectives push us to be the best of the work
unit, to play against the others. That’s not the idea I had of teamwork. I though it was the result of the unit that counted’ (Employee 12).

2.3 Normalization and individualization of dismissal practices

In the firms studied, accelerated mobility and the use of individual performance appraisal systems produced situations where dismissals for a ‘personal’ reason became a routine part of managers and HR staff activity: ‘It’s very common. The more you move up the hierarchy, the more common it is. It’s “the” mode of dismissal for executives, in France. It’s an individualization of dismissals, the Anglo-Saxon model that becomes dominant, that’s clear’ (HR Director). Significant differences could be observed between global and local employees regarding the ways in which they dealt with ‘personal’ dismissals (see Table 2). Global employees legitimated these dismissals as a management tool: ‘In many cases, it’s a way to act on the fact that there are people who after 5-6 years in a company are no longer motivated, they no longer have energy. They know the company, they’re no longer expecting much from it, they would like to slow down but slowing down means being at odds with other employees. And the extra-cost of an experienced person vis-à-vis a younger candidate who will stay in the ranks, well, it’s there. So generally we offer dismissal for a personal reason to these persons’ (HR Manager, Employee 8). Global managers were themselves exposed to this type of dismissal and able to negotiate a financial package when leaving the company – in French legal terms, a ‘transaction’ by which current and future sources of legal conflicts would be extinguished. In the cases studied, the negotiation was generally straightforward: ‘I quickly understood and I told them “Listen, we’re not going to fall out, you’ll give me right away what I want in a deal”. My exit happened as simply as that’ (Employee 7). ‘They told me “Well, would you be ready to agree to leave?” My agreement depended on how we would spell out the dismissal, that is, how many zeros came after the comma. I got no reasons to
complain on that side’ (Employee 8). This form of dismissal was perceived as a contractual arrangement: ‘It’s a divorce by mutual consent’ (Employee 8). ‘I’d say that nowadays the dismissal for personal reason offers a way to quickly get a big sum of money when you’re young’ (Employee 8).

By contrast, ‘personal’ dismissals produced a feeling of exclusion for local employees: ‘At a given time I wasn’t in the good books and then I think that [my manager] gave the signal for my exit’ (Employee 2). ‘There’s a logic of programmed, institutionalized exclusion in a dismissal for personal reason’ (Employee 9). Some local managers perceived that such dismissal followed an ‘eviction process’, i.e., a demoralization campaign aimed at pushing them out of their job (Boltanski, 1982): ‘They hope to discourage people, to wear them out’ (Employee 12). ‘They sap the individual until he loses ground, until he says “after all, I’m no longer good for the company, that’s true, you’re right, I no longer have my place with you”’ (Employee 1). Other local employees stressed the brutality of their dismissal announcement: ‘When I came back from vacation, my Director called and said that he would come to the store. (...) We went to my office and he showed me a sheet: immediate dismissal. He told me to take my things and give him the keys of my office. I said: “Wait! I don’t understand! It’s not possible!” (Employee 4). ‘On the very morning of my dismissal, my boss gave me some extra-work and when she asked me to come to her office, I was going to tell her “Here is what I’ve done.” That’s when she told me “Here’s your letter. Put the date and sign, thanks.”’ It was a summons letter for my dismissal. For me, the world was falling apart!’ (Employee 9). Local employees also felt that the legal reason for their dismissal was imposed on them: ‘That’s one thing I told my Director and the HR manager. I told them: “I would have preferred that you adopt the language of executives with me. That is, tell me the real cause for my dismissal, instead of inventing a false reason”’ (Employee 19). Others insisted on their work performance: ‘My ratings were excellent over the last five years. I was well ahead of
objectives that were assigned to me’ (Employee 3). ‘On legal aspects, one cannot say that I did not give satisfaction. It’s not possible. They came to get me at the law company where I worked. They knew me, they knew my way of working’ (Employee 1). Transactions offered to local employees were typically equivalent to the legal indemnities that their employer would have to pay under the French law. Most refused such transaction and chose to sue their employer, contesting the legal reason for their dismissal and seeking a higher financial compensation. The choice to go to court was not exclusively based on financial consideration. It conveyed a symbolic demand for some form of justice: ‘I didn’t want to drop the case because (...) I wanted them to be punished; I wanted a trace to remain somewhere. It’s too easy to dismiss people like this!’ (Employee 11). ‘They offered me a transaction while telling me “We have nothing against you but we no longer want you here. We offer a 12 months salary as indemnity” But what they did, it’s unacceptable, that’s why I went to court’ (Employee 3). Beyond dismissal practices, local employees expressed criticisms regarding the shift in corporate values underlying the broader phenomena of corporate financialization and market-oriented HRM policies. Local seniors faced particularly strong difficulties in finding a new job and dealing with the psychological consequences of their dismissal after years of work conditions based on loyalty and internal promotion within the firm.

Dismissals for ‘personal’ reason had thus become a management tool allowing firms to individualize employment termination and introduce some flexibility in their relationship to core workers who benefited from standard forms of employment previously associated with stability. The magnitude of the phenomena varied depending on the firms studied. While some firms in our sample had attracted the attention of the business press by systematizing ‘personal’ dismissals on a large scale at various moments of the 1990s and early 2000s, others were making a softer use of this legal form of dismissal and retained stronger features of
internal labour markets such as broad-based career systems. Even these firms, however, had engaged in internal transformations geared towards a market-oriented HRM.

Recent national debates and changes in employment legislation have been going in the same direction. A breach in the legal protection of workers was introduced in 2005 by allowing firms of 20 or less employees to dismiss people recruited over the previous two years without providing a legal justification for doing so – although this possibility was withdrawn in 2008 by virtue of its incompatibility with ILO Convention 158 (Pélissier, Supiot and Jeammaud, 2008: 329). An attempt to suppress requirements to justify dismissals for employees aged less than 25 was abandoned in 2006 following a strong protest movement from students and labour unions. In 2007, the government proposed to suppress the existing distinction between temporary and standard contracts while removing some of the constraints associated with economic dismissals. In 2008, a law on the ‘modernization of the labour contract’ gave employers and employees the possibility to end the employment relationship on the basis of a ‘common agreement’, i.e., without resorting to a dismissal procedure. The conception of employment relations underlying such legislative changes clearly leaned towards bilateral, reversible contracts rather than collective dynamics characterized by unequal power among parties and justifying legal employee protection.

Conclusion

The diffusion of a shareholder-oriented form of capitalism from the US overseas since the 1990s has taken the form, in France, of a shareholding system in which non institutional investors typically retained major ownership positions while foreign institutional investors acquired large aggregates of minority shareholding in large corporations. Gaining autonomy from a traditionally strong state while escaping direct control - if not more diffuse influence – from institutional shareholders, the top management of these corporations deliberately took a
turn towards financialization in order to obtain the financial means to proceed with globalization strategies, while such strategies were in turn conveyed to investors as superior sources of shareholder value creation. A first contribution of this article has thus been to show, on the basis of six case studies of multinationals, how financialization and globalization had become intertwined in the strategies of large corporations unfolding in a national context that continued to exhibit strong specificities.

On the employment side, while a market-oriented HRM system has been shown to become prominent in the US, the consequences of financialization for employment relations in France were considered to remain favourable to core workers insofar as strong employment protection continued to be offered by the legislation. Against this background, a second contribution of our paper has been to uncover the ways in which corporations have introduced flexibility for core workers along a market-oriented model promoting greater employee turnover, a carrot and stick motivation system combining performance-based pay with employment termination for insufficient performance, and an individualization and normalization of dismissal practices. The latter was obtained by substituting for economic dismissals – both individual and collective – the use of dismissals for ‘personal’ reasons that became dominant in France between the mid-1990s and the mid-2000s. The distinction legally established between dismissals justified by the firm’s economic policy and those motivated by employees’ behaviour thus became increasingly blurred in a corporate context characterized by individualized HRM systems. Growing short term financial pressures and precariousness in job positions have been passed onto skilled employees as financialization and globalization strategies unfolded over the last decade, with distinct effects on the nature of their attachment to the corporation depending on their age and experience – seniors feeling a much stronger disruption in their work identity than did juniors – and embedded in distinct career management and dismissal patterns at global and local levels in the corporation.
Acknowledging such an ideological shift towards a market-oriented conception of employment, recent legislative reforms introduced possibilities for employers to face fewer constraints when dismissing workers, thus contributing to the rise of ‘social insecurity’ pointed out by a number of observers of the French workplace in recent years (Castel, 2006; Supiot, 2003).

As a way to conclude, we wish to emphasize the issue of sustainability raised by current corporate orientations towards financialization, globalization and a market-driven HRM that have proved destructive of collective dynamics and values – even though, paradoxically, the discourse on corporate values is stronger than ever – due to growing individual exposure to risk and performance pressures together with increased inequality of treatment of employees. Interviews with managers and engineers revealed a dehumanizing effect of such corporate practices stemming from remote depersonalized decision-making guided by the obsessive search for financial returns. If corporations are to be conceived as social communities, then the sustainability of management systems enhancing rivalry and uncertainty within the firm at the expense of a sense of solidarity and equity remains an open question, as does the role of skilled employees themselves in perpetuating these evolutions.
REFERENCES


METHODOLOGICAL APPENDIX

Our method for data collection on HRM policies and skilled employees’ experiences relied on semi-structured interviews conducted in 2004-2005 with 10 HR directors and managers and 22 skilled employees, mostly belonging or having belonged to the six multinationals of our sample. Employees shared the characteristic of having left their last company on the basis of a dismissal for ‘personal’ reason during the 3 years preceding their interview. They were aged between 29 and 57, mainly male (15) and working as engineers, layers or managers (see Table 3). Interviews were recorded and discourses were analyzed using a thematic content approach.

*Insert Table 3 about here*
### Table 1 – Corporate shareholding and shifts towards global financialised strategies

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Shareholding structure</th>
<th>Strategic shift</th>
<th>Product market strategy</th>
</tr>
</thead>
</table>
| AXA (FR)    | • 36.6% core shareholding and 37% foreign investors (1998)  
             • 21% core, 44.8% foreign I.I. (2008) | 1996 Merger between AXA and UAP | Refocus on global assets management and financial protection  
From ‘back office’ to sales, marketing, R&D |
| Alcatel (FR) | • 19.7% core shareholding and 40% foreign investors (1997)  
              • 11% core, 89% public and others (2005) | 1995 New CEO Serge Tchuruk | Refocus from technology conglomerate (telecom, engineering, cables, electrical construction…) to telecommunications  
Externalize manufacturing (2001) |
| Danone (FR) | • 15% core shareholding, 85% floating including 47% foreign institutional investors (2001, 2007) | 1996 new CEO Franck Riboud | Refocus on 3 global businesses: beverages, milk products, biscuits (sold in 2007)  
European factories |
| Nestlé (CH) | • Dispersed ownership: no shareholding greater than 3% (2000, 2008)  
              • 10% US investors (1999) up to 33% (2007) | 1997 new CEO Peter Brabeck | Refocus on 6 product groups (food and pharmaceutical)  
European factories |
| Carrefour (FR) | • 26.1% core (17% families) and 73.9% public (2001)  
                       • 17.4% core (13.5% Arnault Group and US investor Colony Capital) and 82.6% public (2008) | 1999 Merger between Carrefour and Promodes | Scale building in country coverage and retail formats  
Rationalization at local and national levels |
| IBM (US)    | • top 10 shareholders (17%) are US institutional investors and global banks (17% in 2000; 25% in 2008) | 1993 New CEO Lou Gestner | Shift from manufacturing to global business services  
Sale of PC division (2005) |

Sources: corporate websites and annual reports, shareworld database; Core shareholding includes shares owned by employees, the corporation itself, and allied or controlling banks or corporations.
### Table 2: Fisher Exact Test of Independence for skilled employees

<table>
<thead>
<tr>
<th>Relationship to the company</th>
<th>Seniors (n=10)</th>
<th>Juniors (n=12)</th>
<th>Fisher’s Exact test (p-values)</th>
<th>Global (n=8)</th>
<th>Local (n=14)</th>
<th>Fisher’s Exact test (p-values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global – vs. Local</td>
<td>3</td>
<td>5</td>
<td>p = 0.675</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attachment to internal careers (n = 22)</td>
<td>8</td>
<td>2</td>
<td>p = 0.008</td>
<td>2</td>
<td>9</td>
<td>p = 0.182</td>
</tr>
<tr>
<td>Normative pressure from the company (n = 18)</td>
<td>2</td>
<td>7</td>
<td>p = 0.015</td>
<td>2</td>
<td>7</td>
<td>p = 0.619</td>
</tr>
<tr>
<td>Contractual relation (n = 22)</td>
<td>0</td>
<td>10</td>
<td>p &lt; 0.001</td>
<td>5</td>
<td>5</td>
<td>p = 0.664</td>
</tr>
<tr>
<td>Balance private/professional life (n = 18)</td>
<td>0</td>
<td>10</td>
<td>p &lt; 0.001</td>
<td>5</td>
<td>5</td>
<td>p = 0.377</td>
</tr>
<tr>
<td>Dual Career Management System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of autonomy, no information sharing (n = 20)</td>
<td>6</td>
<td>5</td>
<td>p = 0.405</td>
<td>0</td>
<td>11</td>
<td>p &lt; 0.001</td>
</tr>
<tr>
<td>Lack of career management support (n = 20)</td>
<td>3</td>
<td>4</td>
<td>p = 1.000</td>
<td>0</td>
<td>7</td>
<td>p = 0.014</td>
</tr>
<tr>
<td>Market model criticized (n=20)</td>
<td>7</td>
<td>4</td>
<td>p = 0.370</td>
<td>0</td>
<td>11</td>
<td>p &lt; 0.001</td>
</tr>
<tr>
<td>Dismissal Pattern</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction (n = 21)</td>
<td>4</td>
<td>6</td>
<td>p = 1.000</td>
<td>7</td>
<td>3</td>
<td>p = 0.007</td>
</tr>
<tr>
<td>Perceived violence of exclusion (n = 21)</td>
<td>6</td>
<td>6</td>
<td>p = 0.660</td>
<td>0</td>
<td>12</td>
<td>p &lt; 0.001</td>
</tr>
<tr>
<td>Legal reason imposed (n = 21)</td>
<td>6</td>
<td>7</td>
<td>p = 1.000</td>
<td>1</td>
<td>12</td>
<td>p &lt; 0.001</td>
</tr>
<tr>
<td>Suing the employer (n = 21)</td>
<td>4</td>
<td>5</td>
<td>p = 1.000</td>
<td>0</td>
<td>9</td>
<td>p = 0.005</td>
</tr>
</tbody>
</table>

Source: designed and computed by the authors.
### Table 3 – Characteristics of interviewees (n=22)

<table>
<thead>
<tr>
<th>Employees</th>
<th>Sector</th>
<th>Job</th>
<th>Gender</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 1</td>
<td>Food</td>
<td>Brand director</td>
<td>Female</td>
<td>57</td>
</tr>
<tr>
<td>Employee 2</td>
<td>Food</td>
<td>Quality engineer</td>
<td>Male</td>
<td>32</td>
</tr>
<tr>
<td>Employee 3</td>
<td>Food</td>
<td>Marketing product head</td>
<td>Female</td>
<td>32</td>
</tr>
<tr>
<td>Employee 4</td>
<td>Retail</td>
<td>Store director</td>
<td>Male</td>
<td>43</td>
</tr>
<tr>
<td>Employee 5</td>
<td>Retail</td>
<td>Store area manager</td>
<td>Male</td>
<td>48</td>
</tr>
<tr>
<td>Employee 6</td>
<td>Food</td>
<td>HR director</td>
<td>Male</td>
<td>56</td>
</tr>
<tr>
<td>Employee 7</td>
<td>Aeronautic</td>
<td>HR director</td>
<td>Male</td>
<td>38</td>
</tr>
<tr>
<td>Employee 8</td>
<td>Consulting</td>
<td>HR manager</td>
<td>Male</td>
<td>31</td>
</tr>
<tr>
<td>Employee 9</td>
<td>Construction</td>
<td>Lawyer</td>
<td>Male</td>
<td>30</td>
</tr>
<tr>
<td>Employee 10</td>
<td>Consulting</td>
<td>HR manager</td>
<td>Male</td>
<td>29</td>
</tr>
<tr>
<td>Employee 11</td>
<td>New technologies</td>
<td>Electronic engineer</td>
<td>Male</td>
<td>52</td>
</tr>
<tr>
<td>Employee 12</td>
<td>New technologies</td>
<td>Electronic engineer</td>
<td>Male</td>
<td>30</td>
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<tr>
<td>Employee 13</td>
<td>Services</td>
<td>HR Director</td>
<td>Male</td>
<td>50</td>
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<td>Employee 14</td>
<td>New technologies</td>
<td>Electronic engineer</td>
<td>Male</td>
<td>30</td>
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<td>Employee 15</td>
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<td>Electronic engineer</td>
<td>Male</td>
<td>39</td>
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<td>Employee 16</td>
<td>Food</td>
<td>Communication manager</td>
<td>Male</td>
<td>57</td>
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<td>Employee 17</td>
<td>Food</td>
<td>Sales manager</td>
<td>Male</td>
<td>43</td>
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<tr>
<td>Employee 18</td>
<td>Tourism</td>
<td>Lawyer</td>
<td>Female</td>
<td>33</td>
</tr>
<tr>
<td>Employee 19</td>
<td>Insurance</td>
<td>Project Head</td>
<td>Female</td>
<td>49</td>
</tr>
<tr>
<td>Employee 20</td>
<td>Insurance</td>
<td>Project Head</td>
<td>Female</td>
<td>34</td>
</tr>
<tr>
<td>Employee 21</td>
<td>Transportation</td>
<td>Business Unit Director</td>
<td>Male</td>
<td>41</td>
</tr>
<tr>
<td>Employee 22</td>
<td>Banking</td>
<td>Distribution manager</td>
<td>Male</td>
<td>37</td>
</tr>
</tbody>
</table>

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1. The notion of skilled employees used in this article refers to the French-specific employment category of “cadres”, historically formed in the 1930s by the alliance of engineers and managers to provide a countervailing influence to the rise of blue collar workers’ organizing, and subsequently leading to the formation of distinct labour unions such as the Confédération Générale des Cadres (see Boltanski, 1982). The notion of “cadres” later became institutionalized in collective bargaining systems as a broad employee category encompassing both engineers and managers.


3. Ministère de l’emploi, de la cohésion sociale et du logement, Direction de l’Animation de la Recherche, des Etudes et de la Statistique (DARES), unpublished data. The results presented in this article concerning patterns of use of dismissals for personal reason in multinationals are based on an unpublished report prepared for DARES by the authors. Also see Pignon and Zouary (2003), Lagarenne and Le Roux (2006) and Bobbio (2008).