

Transforming the SNCF

(French state-owned company) :

**From historical heterogeneous model to homogeneous model
then to a new heterogeneous model**

For which benefits and damages for the stakeholders ?

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We are going to speak about the railways restructuration in France in a diachronic perspective.

We will organise our presentation in **three points** :

1st point :

Where does the heterogeneity of the organization come from ?

2nd point :

What are the manifestations of its heterogeneity today ?

3rd point :

Which are the benefits and the damages for the stakeholders (State, workers, management, customers) ?



1. Where does the heterogeneity of the organization come from ?

It comes from the origins of railways companies.

In the middle of 19th century, it has been up to 50 companies.

It also existed different regional culture, which produced an « esprit des compagnies » (spirit of companies).

That has consequences on economic model of each company and, especially, on specific relationship inside different kinds of companies, on relation between the companies and the State.

Because of the difficulties of these heterogeneities, numerous interventions of the State tend to build a more homogeneous model for the railways during the twenties and the thirties of the 20th century.

For examples :

Timetables, ticket pricing, comfort of the trains, and the last but not the least, the staff rules... has been decided by the State (in 1920)...

while 5 of the 6 major companies who still existed in this period was private companies.

... and finally, in 1938, SNCF is founded as semi-public company.

This new company aggregates the 6 main railways players (but only the major companies).



This homegeneous model will dominate until the end of the '60.

2. Towards a new heterogeneity

In a new context of industrial policy, which focuses to internationalize the majors french companies, but also to internationalize management tools and management concept, SNCF highlighted the business concerns.

In the '70, SNCF introduces the tariff modulation and, later, the customer segmentation approach.

For its internal organization, SNCF also decided to outsource some activities, like cleaning, a part of security, computer system, then an increasing part of the sale of the tickets.



SNCF also created a lot of subsidiaries in particular for the carriage of passengers and the freight activities.

For examples :

- Bus company (iDBUS)
- Up market high speed trains (Eurostar to England), Thalys (to Belgium, Germany, Nederland)
- Low cost high speed trains : ID TGV, OUIGO
- Goods : VFLI, Naviland Cargo.

All these subsidiaries are in competition with the parent company.



OUIGO
Naviland Cargo

Today, « la SNCF » (railways division) is only a part of « SNCF » (SNCF Group).

Today, SNCF Group, with about 1 000 subsidiaries, is « world leader in mobility for people, goods and logistics, present in 120 countries » (according to SNCF).



Another factor of heterogeneity is the development of new players on the railways market (because of the liberalization of this market).

These new players doesn't belong to the SNCF Group (but often to major european railways companies, like Deutsche Bahn).

3. Which are the benefits and the damages for the stakeholders

a) For the State :

In France, the State seems under strong pressures of the European Commission who has liberalized the railways market.

In front of this evolution, the State has contradictory attitudes.

Sometimes, it's trying to slow down European injunctions.

Sometimes, it chooses the « laissez faire ».

These injunctions have led the French government to separate in two companies the railways network management (which is RFF) and the Railway Transport Operator (SNCF).

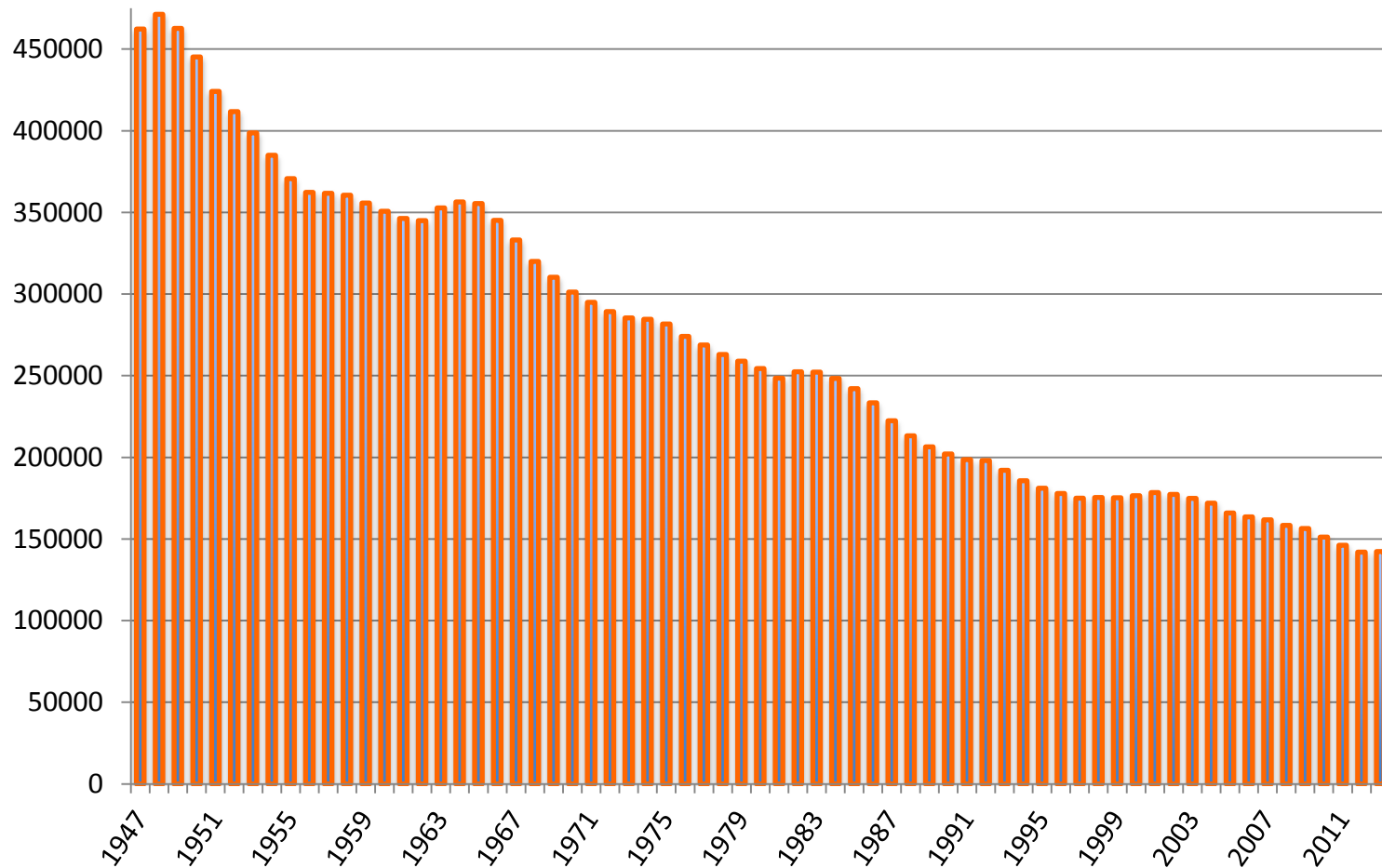
b) For the Management :

In spite of an official autonomous management, the management remains highly dependent on the State.

So, its attitude is fluctuating.

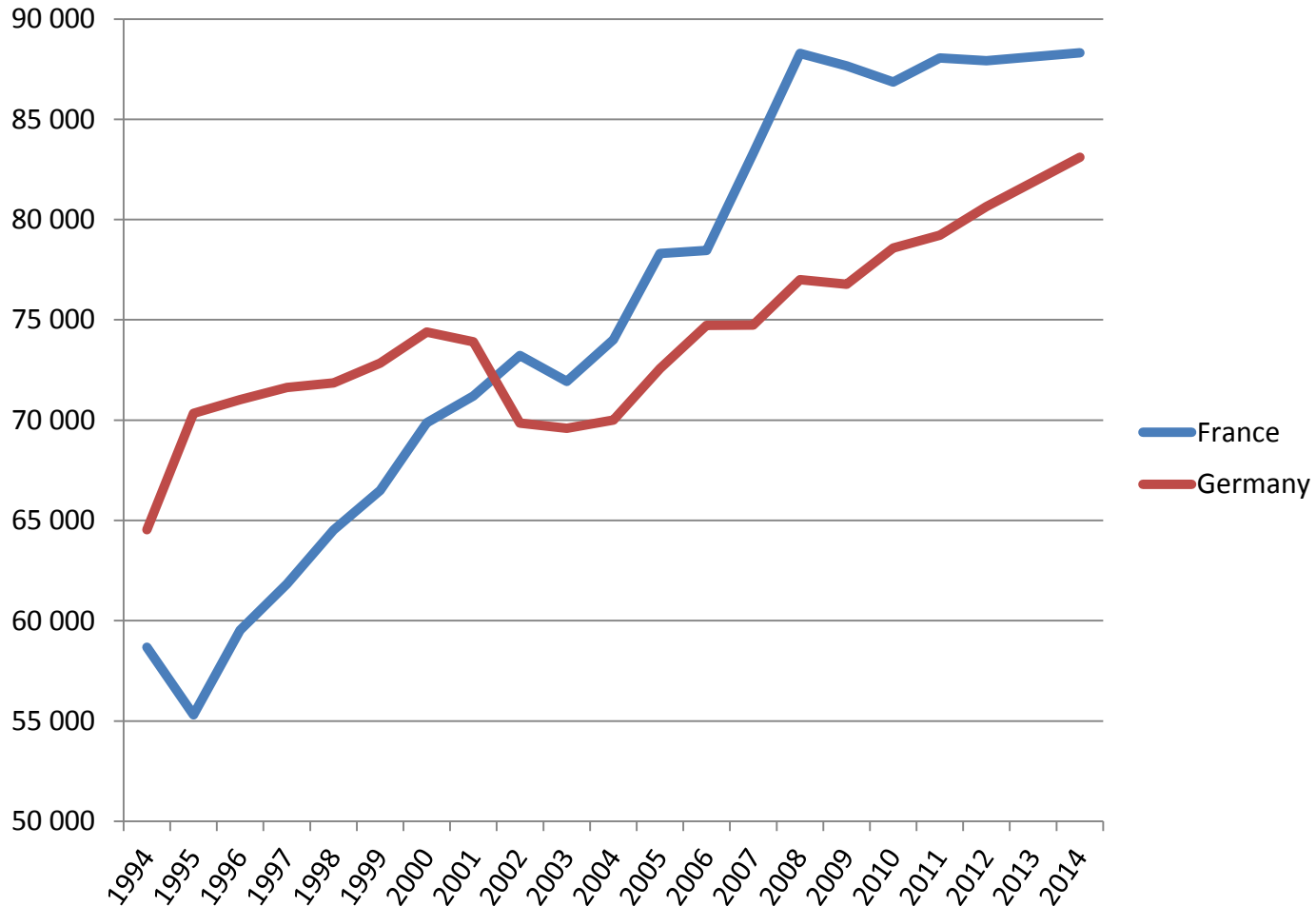
But it tried to reduce the perimeter size of the staff rules.

SNCF employees



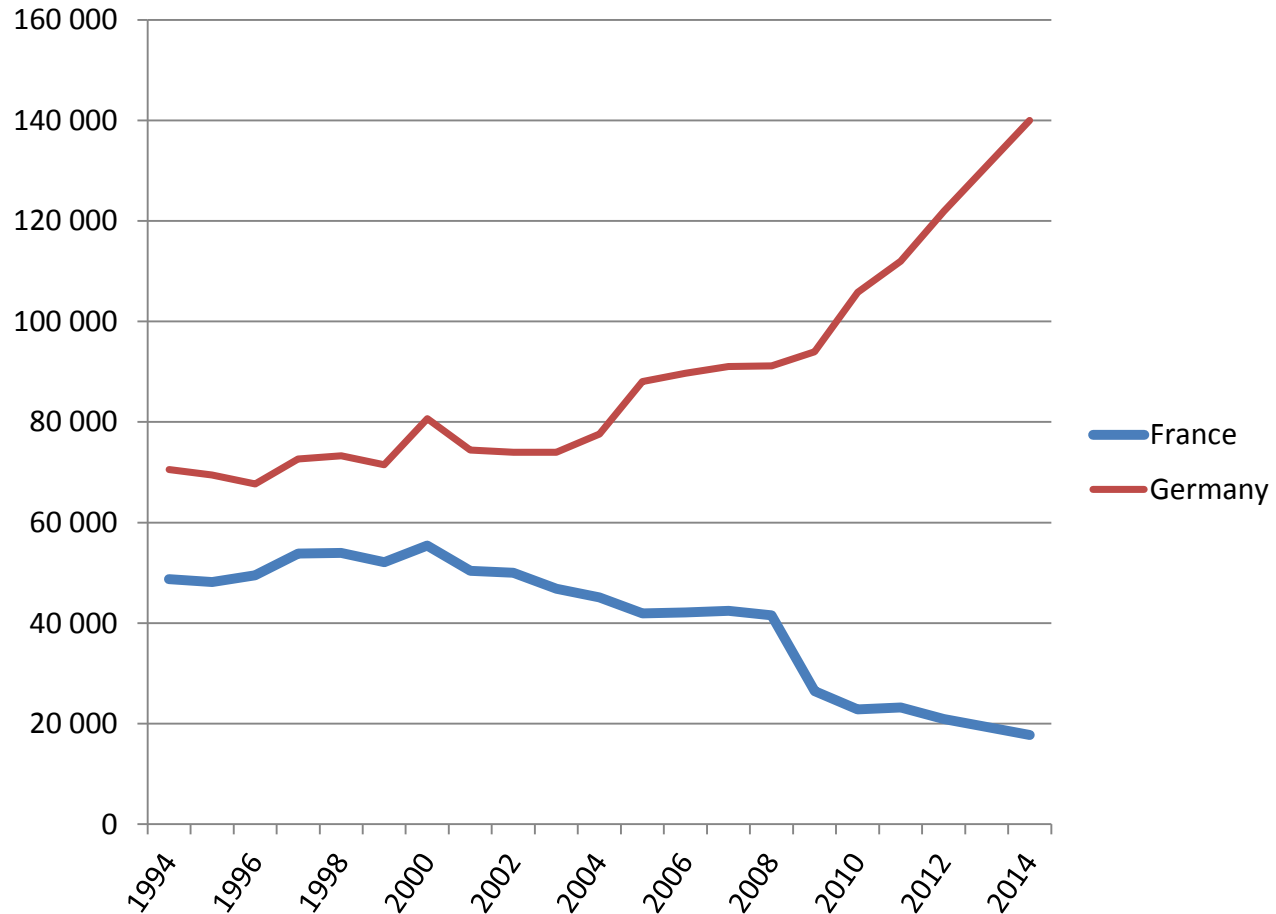
Here is the evolution of the number of workers which depend on the staff rules. While « la SNCF » (railways division) has less and less workers, SNCF Group increases with 250 000 workers in 2013... as increases transportation of passengers (but not goods).

Railway's development : France / Germany (1994-2014) Millions passengers/km



Goods : the French decline

Millions of tonnes/km





c) The benefits and the damages for the workers :

The workers have a feeling of desintegrative identity.

This phenomenon is stressed by a deep sociological change of the company workforce :

less and less operators and the increase of supervisors and managers.

The economic competition that all the restructuration of the french railways also characterize the relationships between the unions.

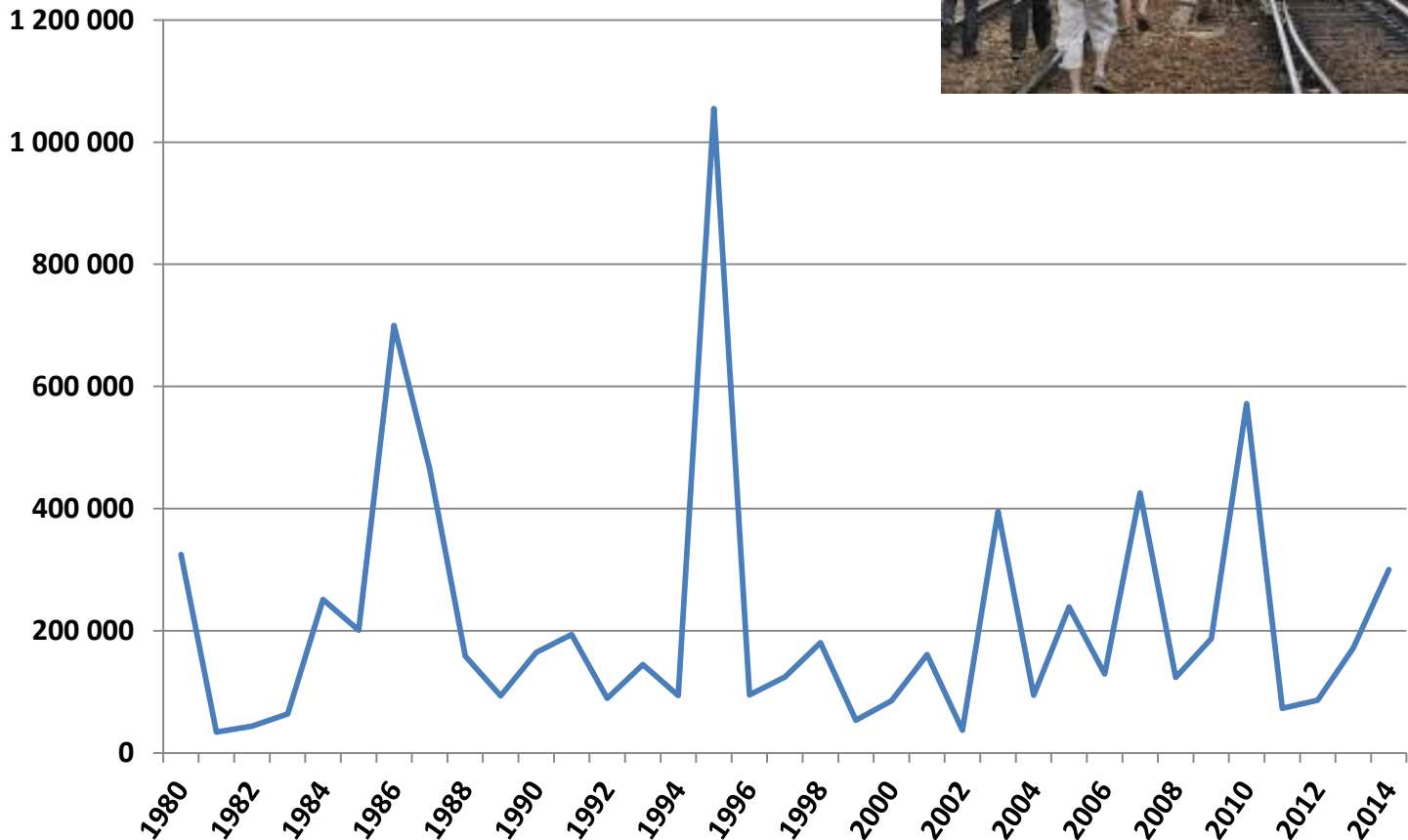
Even if these oppositions between the unions are not new (there are two main tendencies : reformist [CFDT, UNSA] vs rebellion [CGT, SUD])

But the privatization (or semi-privatization) of the railways have promoted the left wing of unionism (SUD).

That is fuelling recurrent and strong social conflicts (the last was in june, with a duration of 2 weeks).

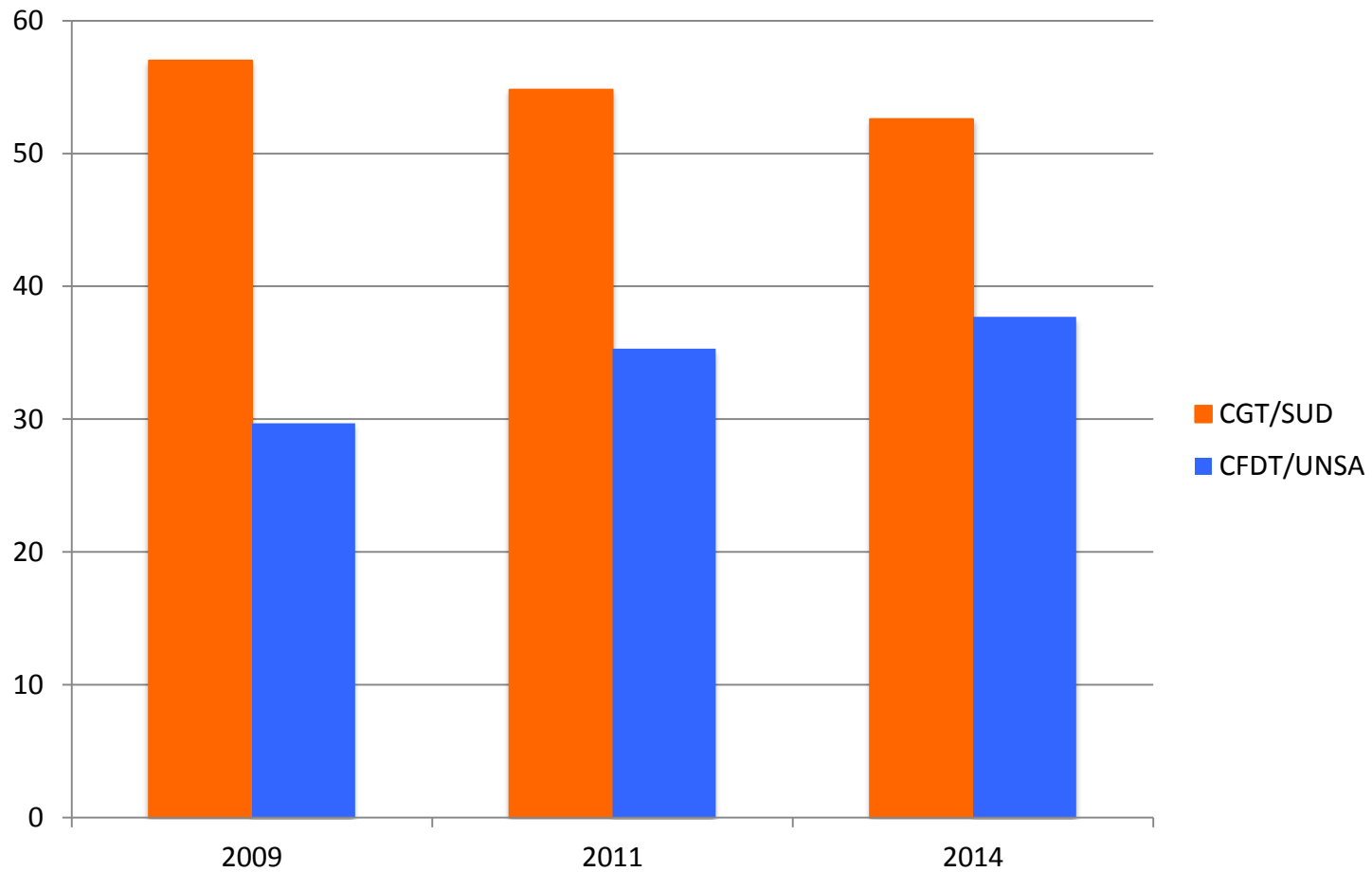
SNCF Strikes (1980-2014)

Days not worked



Some years these days not worked à the SNCF are rather important in all the days not worked in France

Two unionism ? CGT/SUD vs CFDT/UNSA



d) The benefits and the damages for the customers :

SNCF distinguishes two types of passengers :
the users and the customers (clients).

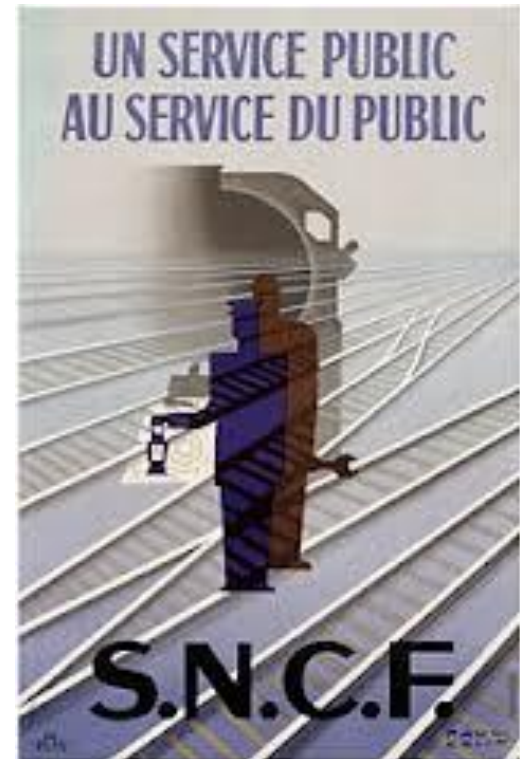
The one use regional or suburban trains.

The second use high speed train.

The one have been overlooked (as said the top management).

The second are facing with complex rules of prices.

*An old poster of the SNCF,
today out of date*



conclusion

1. No stakeholder have a clear attitude to the diversity (or heterogeneity).
No group of stakeholders has a unified attitude
(and that promote diversity).

The crisis has stressed rather than reduced this.

2. The attitude to diversity depends on assets of each group in an specific environment.

3. Finally, the diversity is a richness but it can paralyze the transforming of the company.



Thank you for your attention
arigatō gozaimasu
どうもありがとう