



THE DEVELOPMENT OF DIRECT EMPLOYEE PARTICIPATION AND ITS IMPACT ON
INDUSTRIAL RELATIONS AT COMPANY LEVEL

DIRECT VS/2016/0305



DIRECT EMPLOYEE PARTICIPATION IN ITALY

COUNTRY REPORT



direct

The project is implemented with the financial support of the European Commission – Employment, Social Affairs and Inclusion DG, Budget Heading 04.03 01 06

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Salvo Leonardi –
Fondazione Di Vittorio

Direct Participation in Italy

Country report

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Part 1: Nature and extension of DP in Italy

1.1 - Employee Participation in the context of Italian industrial relations

In the European context, the Italian system of industrial relations stands out in a number of respects; or at least, it lies outside the mainstream in most instances. The factors in question are attributable to a virtually unique level of voluntarism and abstention of law. Legislative intervention, while particularly intense in individual employment relations, has been marginal when it comes to collective ones, notwithstanding the reference to them in the Constitution of 1948 are quite wide (representation, collective bargaining and extension mechanisms, right to strike, participation). Both among the social partners and scholars, the primacy of collective autonomy was robustly asserted over a long period, compared with other models – like in the “cousin” Latin countries – in which state intervention prevailed. Beside the voluntarism, the Italian system of the industrial relations can be shortly described for the following features:

- Trade union pluralism, historically based on ideological divide
- High fragmentation of the employers associations

- Two-tier CB system with a primacy of the sectoral level
- High-level of multi-employer bargaining coverage: 80-90%
- Medium-high level of unionization: about 33-35 %
- Single channel of workers' representation at the firm-level

Based on confrontational stance and collective bargaining, the issue of the employee participation has long been the great absent from the Italian industrial relations system. At regard, the country's picture can be summarized as follows (Leonardi, 2016):

- an historical reluctance of social partners to establish institutional forms of participation and reciprocate committment;
- no legal provision for board-level employee representation (BLER);
- the key role played by collectively-agreed information and consultation rights, either in national and decentralized agreements;
- statutory information and consultation rights according to the different provisions and issues established by the European Directives;
- the "bilateralism", with the joint bodies and funds for the social partners management of occupational welfare and benefits;
- jeopardized good practices of involvement at firm-level;
- circumscribed experiences of employee share ownership plans (ESOPs), mostly banks and public utilities;
- fiscal incentives, in recent times, to collectively-agreed participatory schemes at company level
- the increasing role played by managers-driven forms of direct participation (DP);

The debate on employee participation, over the last decades, has been at best

erratic. Besides academic and trade union consideration, there has not been a single government that has not proposed and debated draft laws on the subject. However, they have all been dropped before any significant progress had been made, so that. Nevertheless, the erratic trend of the past has re-emerged and the issue of employee participation is again drawing the attention of stakeholders and policy-makers. Both trade unions and employers – albeit from different viewpoints – appear to be rethinking the strategic value of participation, overcoming old prejudices and distrust. This is due to several factors:

- the crisis of the national model of industrial relations, whose particular variety of voluntarism seems to have reached deadlock;
- trade unions are on the defensive, trying to get out of the corner into which they have been pushed by the new EU economic and institutional scenario;
- the prospects arising from comparison with the rest of Europe, in particular the German model of co-determination;
- the new post-Fordist forms of work organization and their consequences in terms of direct involvement and participation;
- the impulse of European Commission legislation, which has stimulated some normative realignment in the area of participatory rights;
- existing practices at company level, which may benefit from rationalization;
- a partial overcoming of the traditional reluctance of social partners with regard to stronger and more institutionalized forms of reciprocal responsibility.

2.1 – Historical trends and developments

Any attempt to sketch the evolution of employee participation in Italy needs to take into account either of the different actors' cultures and ideologies, end the economic, social and political development of a country of marked divisions and contrasts. A starting point might be the Constitution of 1948. Unusually, it includes a full article – the 46 – dedicated to workers' right '*to collaborate in*

the management of enterprises, in the ways and within the limits established by law'. Article 46 could have been a pillar of a system of economic and industrial democracy, but that never materialized. The causes are various and complex (Pedrazzoli, 2005; Biasi, 2013; Leonardi, 2013), being in the first instance both semantic and political: the final choice of, for example, 'collaborate' rather than 'participate' – as originally proposed – and 'in harmony with the needs of production', sounded too close to the Fascist corporatist ideology of idyllic labour–capital relations. The most important but nevertheless brief experience of employee participation at workplace level, the *Consigli di gestione* (Joint management councils), developed during the factory occupations in the almost insurrectional climate at the end of the Second World War, was rapidly reabsorbed as soon as the traditional power relations within firms were restored within no more than five years.

The employers were determined to reaffirm their exclusive managerial prerogatives in the teeth of any prospect of employee participation, even in its weakest form. The Italian variety of Taylorism/Fordism, which at that time was in full flight, did not contemplate any real form of power sharing in business governance and work organization. In the years of the economic boom, between the late 1940s and early 1960s, capital and management had re-gained full control of companies, imposing unilateral and anti-union practices in the workplace. In such a scenario, it was natural for the labour movement and its strongest component, the communist-driven CGIL, to see confirmed their analysis of neo-capitalism and its refusal of any kind of commitment with companies. Despite the existence of open but minority options – in the two other confederations CISL and UIL – a confrontational approach long prevailed, under the leadership of CGIL. Thanks to the dissemination of collective cultures and plural identities among communists, socialists and Catholics (Cella, 2008), the Italian labour movement, on the wave of a mounting cycle of class struggle experienced one of the longest periods of union growth and power in Western societies. As in Webb's seminal theory, strikes, collective bargaining and political reforms were considered the most effective tools for achieving industrial democracy and changing society. The 1970 Workers' Statute was the major outcome of this development: inspired by

Roosevelt's Wagner Act – via Labour Minister Gino Giugni – it was a case of auxiliary legislation, aimed at stabilizing union liberties and power on the shop floor.

During the so-called 'decade of the unions' (1969–1979) the effective voice of Italian workers was proved to be now less strong than in countries with more institutionalized models of co-determination. Proud and self-confident in this conviction, two generations of shop stewards and union officials believed they had nothing to learn from elsewhere¹. Since the late 1970s, national industry-wide collective agreements began to include workers' rights to information and consultation on an increasing range of issues in their opening chapters, further implemented at the company level. Public holdings and companies (IRI and ENI) played a key role, with establishing a robust system of joint committees for information and consultation.

Many things in Italy would change in the 1980s, as they did in the rest of the world. The balance of power started to shift and Italian scholars and unionists started to look with growing interest at the very neo-corporatism that had long been dismissed, just when neo-corporatism was slipping into a crisis in its Nordic birthplaces and bastions. 'From conflict to participation' was the mantra of this new phase. Later on, the milestone framework agreement of 23 July 1993, by establishing the basic rules for collective bargaining and workplace representation, endorsed the value of employee participation, elevating it as a key element in company bargaining, especially in the areas of production-related wage and work organization.

EU law has played a very important role in the public discourse and legal changes concerning employees' information and participation (Alaimo, 2014; Zoli, 2015). A first generation of EU-driven laws in Italy dates back to the early 1990s, although the EC directives were passed in the mid-1970s. They concerned collective dismissals, transfer of undertakings, and health and safety. A second generation of EU-driven laws followed, related to the transposition of the Directives on European Work Councils, the European Company Statute and information and

¹ Few found much to offer in the German model or were tempted to exchange an almost unlimited power to strike for sitting on some supervisory board which obfuscated their autonomy.

consultation. In three cases out of five, enactment came after the social partners had agreed a peak-level joint statement.

Directive 2002/14/EC set common statutory standards for the national level. Its statutory transposition (), was anticipated by a joint position, signed by the most representative employers' associations and trade union confederations, in November 2006. As in Italy the collective agreements outcomes are not legally binding, the EU Directive could achieve its institutional aims only through a statutory implementation. Based on the previous social partners agreement, a Legislative Decree (no. 25/2007) was finally approved two years after the deadline for transposition. The contents of the information and consultation rights and duties are substantially in line with those contained in the Directive. The two weakest points concern scope and sanctions. First, the high threshold (50 instead of 20) excludes too many workers: approximately two-thirds of Italian employees. Secondly, the very limited administrative sanctions for enterprises do not represent an adequate deterrent. If an employer violates workers' rights to be properly informed and consulted, the law provides only for administrative sanctions, with almost ridiculous fines, ranging from €3000 to a maximum of €18,000 for each instance of non-compliance. According to trade unionists and scholars, the Italian reception of the EU Directive has not given rise to any innovative feature or added value². The perception is that most of the 'new' rights were already recognized and rooted in collective agreements at all levels.

The impact of the Italian legislation on the European Company³ has been disappointing. It represented an opportunity to develop meaningful forms of board-level employee representation, but, in practice, no such effect has been achieved (Gottardi, 2014). The company law reform (2003), transposed in a new article of the civil code (Article 2409- *duodecies*, Civil Code), provides the unprecedented possibility to freely opt for dualistic model, but the rationale of the EU law has appeared to be betrayed for its de fact denying the workers' participation in the corporate governance. Workers' representatives cannot be

2 Findings on the EU-supported projects INFORMIA and INFPREVENTA, coordinated by the Bulgarian ISTUR and the IRES/ABT partnership (www.infpreventa.org).

3 Its two pillars are the Statute for a European Company (SE), Council Regulation 2157/2001/EC and, on the involvement of employees, Council Directive 86/2001/EC.

elected members of the Supervisory Board, with eligibility denied to anyone linked to the company or to its subsidiaries ‘by an employment relationship (..) that compromises their independence’. As a consequence, the dualistic system did not get off the ground and even those who initially adopted it – almost exclusively in the banking sector – abandoned it. Totally absent, beside, the cases of European Companies (SE) registered in Italy.

Quite ineffective and even scarcely known by practitioners and social partners, the EU Directives on take-over and on cross-border mergers.

1.2 – Employee participation in the national context of the industrial relations

The whole system of the industrial relations, also for what concerns the various typologies of involvement and participation, is based on voluntarism and the collective bargaining. It is a two-tier system, with industry-level collective labour agreements and decentralized collective agreements at company or territorial level, where companies are below the relevant size threshold. Industry-level bargaining is the core of the system. Through roughly 870 national industry-wide agreements, all workers are covered by a multi-employer agreement.

All texts start with a sort of political understanding, where the signatory parties declare the common values and objectives they aim to achieve, with particular emphasis on the value of a participatory approach and the common will to seek agreed solutions to problems, especially competitiveness in global markets. All collective agreements foresee joint committees, monitoring and procedures for a proactive exchange of views on a wide range of issues: the economic situation and expected trends, employment, competitiveness, vocational training and equal opportunities.

In sectors with a very high proportion of SMEs, seasonal or segmented work, where trade unions are weak at the workplace level (construction, crafts, agriculture, retail, tourism, temporary agency work), unions and employers have also established bipartite joint bodies and funds, for the development and management of occupational welfare schemes. This is so-called *bilateralism*, which has received strong support from recent legislation and, importantly, can

now be considered the most structured form of participation achieved in Italy in the past 20 years (Leonardi, 2016).

The second level of collective bargaining is not compulsory and depends on the presence of RSU and on the power relations in each workplace. Despite the social partners' intentions and public policy incentives, such as the de-taxation of productivity-related wages, the spread of decentralized bargaining remains far below expectations. Decentralized bargaining in the private sector is esteemed to cover approximately 20% of the enterprises with more than 10 employees (ISTAT, 2016; Banca d'Italia, 2017), whose 12% by company level agreements and 8% territorial. The total number of the employees covered by a second level agreement, in the private sector, is approximately 35% (Fondazione Di Vittorio, 2016; Leonardi and Pedersini, 2018).

1.3. – The indirect participation: workers representation, information and consultation

The workers' body entitled by the law for information and consultation rights is the unitary union representation, eligible in workplaces with over 15 employees either by unions and no union members. Once set up, the RSU – a pluralist single channel proportionally representing different organizations – has both bargaining and participatory rights⁴. To be eligible, organizations have to collect signatures from at least 5% of the workers entitled to vote. CGIL, CISL and UIL lists receive the most votes..

The overall percentage of employees covered by some workplace representation is uncertain and accurate data are not available because registration is not mandatory. According to institutional sources (CNEL-ISTAT, 2015), elected works councils (RSU) operate in hardly 12% as average of all private companies. A bit more if we include the other possible form of workplace representation, designated by the unions and not elected the employees (RSA), prevalent in the banking sector. Presence is as low as 8% in companies employing a staff up to

⁴ In alternative to the elected RSU, in some branches, unions designated their shops stewards (RSA). An exception – widespread in the financial sector – albeit union confederations ask for replacing them with the more democratic RSU, elected by all workers and not just designated by the workplace unions.

50. Also in companies with more than 500 employees, the presence of works councils is far to be integral (60%).

Beside the works councils (RSU), at the workplace level, workers have the statutory right to elect their health and safety representatives (RLS), which are ruled by the law. They have a list of rights and prerogatives, as to receive all documentation concerning risk assessment and related prevention measures, with the possibility of calling in the authorities if the prevention/protection measures are deemed unsuitable. Alongside the RSU and RLS, another body that is becoming increasingly important is the joint committee. Based on collective bargaining, joint committees are composed mainly of members of the RSU and their aim is to encourage non-confrontational exchange to deal with ad hoc single issues.

The employee involvement and participation in the workplace is at its most intense during the joint examination phase, when social partners discuss available information and, in compliance with the Civil Code clauses on *goodwill and fairness*, may reach an agreement or sign an understanding, without in any way establishing a formal contractual commitment. The outcomes of consultation are not binding on employers. Once joint examination has taken its course, the parties are no longer bound by the non-unilateral obligation and thus are free to take the actions they deem necessary.

Importantly, employers who impede or hinder the exercise of union rights are liable to prosecution for anti-union activities (Article 28, Workers' Statute). If found guilty by the court, the employer will be required immediately to permit the collective rights that they had tried to quash. This is a key norm that for many years has allowed trade unions to seek enforcement of collective rights that would otherwise exist only on paper.

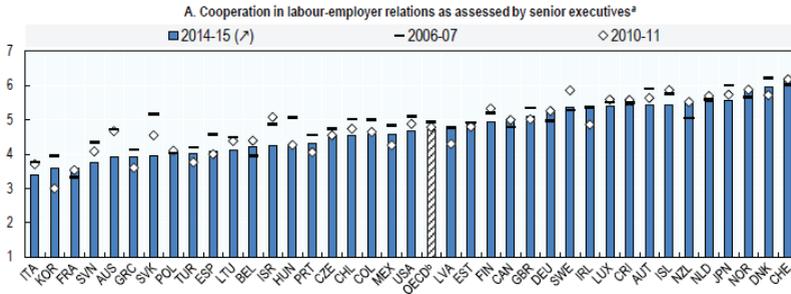
1.3 – The policy of the social partners towards DP

Nowadays, both trade unions and employers – albeit from different viewpoints – appear to be rethinking the strategic value of participation, overcoming some of the old prejudices and distrust. Social partners recognize that it is, above all,

a cultural challenge, although – it must be stressed – most of the initiatives come from the managerial side, with the unions playing on the defensive (Pero and Ponzellini; 2015). A true strategic discontinuity seems to be needed. At such a regard, as it has been argued: “Direct participation, especially on the themes of the work organization, should be enhanced by the unions, because it is able to stimulate the innovation of collective bargaining” (Treu, 2017, p. 212). Nevertheless, according to the critical view of this influential scholar: “the Italian trade unions enunciate but do not carry out consequently the theme of participation at company level as a true strategy for its future action (..). Trade union responses to the challenges of the times have been predominantly defensive and the search for innovative strategies – also due to the ideological disputes among the confederations – are still far from indicating safe paths” (idem)

From a managers' perspective, drivers, reasons and motivations for DP rely on the organizational perspectives, in order to improve efficiency, to gain competitive advantage, to enhance innovative capability, to become an attractive employer, to enable acceptance by employees, to enable the embedding of new technology and ICT, to improve industrial relations with unions. Their aim, in terms of results and outcomes, is the efficiency, more sustainability, competitiveness, innovation, satisfied client, customer, effectiveness, profitability, good labour market image. Employers and managers seem to be favorable for direct and financial participation; against strategic and board level representation. In the recent OECD Employment Outlook (2017), there's a graph concerning the quality of industrial relations as assessed by senior executives, in terms of what they consider the level of cooperation in labour-employer relations. In such a survey is quite striking to see Italy placed in the last position of the list, with the lowest quality.

Figure 1: Cooperation in labour-employer relations, as assessed by senior executives



Source, OECD, 2017

According to an annual survey of the heads of staff, on their journal, experts predict a loss of role and influence of cadres and middle-management, driven by new models of work organization and a flatter and horizontal hierarchy. With the involvement of more direct and informal workers, based on teamwork to self-determined staff. Management should provide appropriate motivations to staff. Corporate welfare and well-being at work, will be key ingredients of this new strategy. As well as listening skills and continuous training for the development of human resources (Ferraro, 2017).

On the trade unions side, in Italy historically articulated on a pluralism of associations with different backgrounds, positions on the subject of participation have represented one of the main ideological divides. CISL is historically the most convinced union about the challenges of such a new horizon, faithful on this to its original inspiration: an identity-dictated choice for *participation* in all possible forms (Baglioni, 2011) and decentralized bargaining, reluctant to accept any interference by the law. In a CISL publication (2017), micro-organization and network contents are examined according to their attitude to increase or not the cognitive content of workers' tasks, of the multi-functionality, of the autonomy, the adoption of team work, the improvement in ergonomic, safety and lesser

physical fatigue, space and time flexibility. According to their survey, all these issues are in constant growth in firms' practices. Four out of fifteen case studies reveal a real change of organizational pattern, eight are undergoing a gradual change, three do not show any change.

Compared with CISL (and UIL), CGIL has practiced a more adversarial kind of unionism, favorable to a centrally coordinated collective bargaining, and marshals most social protest. Starting from the 1980s, the country's largest confederation, through a lively internal debate, has gradually and at last fully accepted participation, including the long rejected BLER and financial participation. A very influential CGIL's leader, Bruno Trentin used to insist on the *liberation at work*, to be pursued through a massive unions' investment on workers control and codetermination of work organization. And an unprecedented emphasis on employees skills and continuous education and training.

Today, differences among unions are less pronounced than twenty years ago. Now the three main confederation consider DP, more or less, as an opportunity for achieving getting a stronger employee voice, sustainable organization, equality, fairness, job security, union membership. On 14 January 2016 the three main Italian confederations CGIL, CISL and UIL, signed an inter-confederation agreement titled "A modern system of industrial relations for an economic development based on innovation and quality of work". The new strategy is focusing on the three main pillars for strengthening a new system of industrial relations consisting of collective bargaining, participation and the set of new rules on representation. On participation, the three confederations aim at putting in practice the constitutional goal of Article 46, with three different ambit and classes of decision in: a) corporate governance, with the request for a law on the dualistic system and the workers' representation at the board level; b) economic and financial; c) organizational participation. The third is the one focusing more directly on our subject. It concerns in particular the SMEs with contributing to the innovation of production processes and job qualification (collaboration on design and organizational plans that are functional to business and commercial choices, technological innovation, digitalization, diversification / specialization / implementation / dissemination of innovative skills and professional skills

especially of the new generations.

1. – DP in practice: characteristics, diffusion, forms

The epochal current changes in managerial culture and practices have found Italian companies to be a receptive context. Surveys over the past couple of decades have revealed the diffusion of these new approaches. On the extent and diffusion of these phenomena, the data we have available derive from a mix of sample surveys and qualitative studies.

Based on a series of parameters, the third survey of the Dublin Foundation on European companies (2015), carried out in 2013, reveals that Italy has limited forms of DP in the organization of work (18% of establishments). Among the lowest levels among all the countries considered in the survey.

Figure 2: The prevalence of direct participation classes, by country (%)



Source, Eurofound, 2015

In Italy are available academic researches on the wider range of the firm-level bargaining and contents. They're not many and normally conducted by social partners-related institutes and observatories. One of the broadest is the survey

of the OCSEL, the CISL observatory on company-level bargaining, on a sample of 7.245 agreements signed between 2009 and 2016. The issue of *trade union prerogatives at the workplace* appears in 20 per cent of texts, in third place behind wages and crisis management. Of these prerogatives, 73% per cent consist of *information and consultation rights*. They concern mainly the economic situation of the enterprise (76 per cent), investments (49%), employment (44) and working hours (35%). *Participation*, here intended as the institution of ad hoc parity-based committees on company strategic choices, is hardly mentioned: a mere 1%. *Work organization* has been swinging between a peak of 10% and a minimum of 7%. (OCSEL-CISL, 2017). Which is not much; certainly under what one could expect, in times of industry and work 4.0. The most common issues have been relating to the technological and organizational change (42%), 39% with the involving of the unions in the analysis of the change. Working shifts, (47%), multitasking (34%), internal mobility (34%) and tasks (19%) have been the most common issues of such a change. Low incidence of smart working (8%) and team work (5%). Metal and trade sectors are those where the work organization seems to be the most negotiated in the workplaces.

Another already mentioned survey conducted on sectoral and company-level collective bargaining (ADAPT, 2015) produced similar results: on a sample of roughly 800 texts, 43% concerns the industrial relations machinery, whose 35% information and consultation and 14% the establishment of joint committees. DP is, in all these cases, a fundamental part of the internal reorganization, and varies from case to case, on the basis of a range of management solutions for workplace innovation. As it is largely pursued through informal and un-written agreements, DP is likely better known and investigated through qualitative studies, which are in fact increasing around so called best practices (Pini, 2008; Carrieri et al., 2015; Pero and Ponzellini, 2015; Mosca and Tomassetti, 2015; Equipe2020, 2017). They usually include some of the most important companies, with a high propensity for innovation and international markets. Their headquarters are both Italian and foreigners. Among them, we'd like to mention here: Brembo, Finmeccanica, FCA, Tenaris-Dalmine, OMB Saleri, Electrolux, Savel, GD, in the metalworking sector; Ferrero, Barilla, Granarolo, Campari, Lindt, Mellin, in the food and beverage

industry; Luxottica, Gucci, Tod's, in life-style and clothing; Eni and Enel, Sapio in energy production and supply; Chromavis in cosmetics.

What emerges from these case studies is a map of heterogeneous approaches and experiences, with a mix direct and indirect tools. Most of them, can be labeled in the category of "Industry 4.0" and are strongly related with the aim of higher performance and productivity. Some of them are concentrated in industrial districts with high levels of innovation and specialization, with a relevant role of MNCs, as in the case of German corporations in Emilia Romagna.

DP is one of the pillars of the lean and WCM systems. Education and training, at all levels, is a fundamental driver of the change; managerial literature is very much insisting on this. At such an aim, Japanese consultants and teachers have been called by companies in order to train managers and staff on the principles and methods of the *Toyota Production System*. According to a study (Sai, 2016), no less than 200 companies have reorganized their production, taking inspiration and practical advices from the TPS and their guru. From Pirelli (tire) to Telecom (TLC), the Hoepli (editing) Eataly (food), Magneti Marelli (engineering), Disa (mechatronic) and Roche (pharma), the largest distribution services. chemical and mechanical contractors, such as Flexform, the Bticino, the Pomini Tenova; the Same, Iveco and OM. In Lombardia, schools and academies work for Alcatel-Lucent, Bosch, Coca-Cola; ENI; Hewlett-Packard; Media Market; Mediolanum, Nokia-Siemens, Pirelli, Telecom, Tenaris-Dalmine, Sirti, KPMG; Whirpool

Through DP, managers aim at changes in working organizations, with empowering workers in decision-making autonomy, through different tools and approaches. One is for certain the job rotation, with the workers enabled to be trained on new work stations so to improve skills and performances (among others, OMB Saleri, Fincantieri, FCA).

Among the collective forms of DP, the most significant of course concern the team working. It can be of two types; informal and formalized. Some are mostly consultative, others deliberative, although is not easy to find in practice the borderline between these two forms. Informal working team – sharing knowledge and solutions in horizontal and non-hierarchical practices – have

been established at the FCA; “community of practices”, at Eni; production islands at the Pirelli, Luxottica, Ferrero, Barilla. Communication and networking – in all these cases – are enhanced by the use of smartphones and new ICTs, very much widespread in new innovative and digital start-ups. Formalized team working – with collectively agreed functions, tasks, productive goals – is not widespread in Italy (Equipe2020, 2017). Their adoption to date has focused on a number of German companies operating in Emilia Romagna – Ital Design, Ducati and Lamborghini. It is worth recalling the role played by some German multinationals in exporting aspects of their co-determination model, at workplace level, to some of their subsidiaries in Italy (Telljohann, 2015). Even here, the team work was strongly supported by management, but unlike the case of FCA its introduction took place on the basis of collective bargaining with the unions and the setting up of technical joint committee. Then, a mix of indirect and direct participation.

Individual direct participation take the forms of suggestions schemes, briefing, companies’ survey on the workers’ wellbeing at work and climate, face-to-face interviews and agreements. We can assume that a great and growing number of employers, today, make some use of one or more of these HRM approaches. The typical object of such a form of direct involvement concerns the work flexibility in terms of time and shifts, but now – more and more – the place where the work tasks are required to perform. So called *smart-working* is becoming a quite widespread form of direct involvement, framed by collective agreements and now also by the legislation. Collective and individual agreements consist in giving employees a possibility to opt for such one or two days a week (tele-working, working-time accounts, flexible shifts). Employees are enabled to better manage their work-life balance, while companies save costs and increase productivity. In European statistics⁵, Italy lags behind, with a comparatively marginal use of flexible working from remote. But the phenomenon is constantly growing. According to the *Smart Working Observatory of the School of Management* at the Politecnico di Milano, 30% of companies with more than 250 employees adopted some “agile work” projects (in 2015 it was 17%)⁶.

5 Eurofound – ILO, *Working Anytime, Anywhere*, 2017

6 *Lo Smart Working in Italia*, 2017. Cases of, where the employee can work from home or remote, are provided in a growing number of large companies: GM Powertrain, Nestlè, Unilever, Ikea, Basf, Eni, Enel, Prysmian, Vodafone, Wind, Luxottica, Endress-Hauser, Generali, Intesa

2. – Recent incentives for Employee Participation

Today we can observe a widespread perception of industrial relations as unsatisfactory, with employers demanding more decentralization and flexibility and the unions demanding more enforceable and reliable articulation of levels, tools and decision-making. All the main players – albeit from different viewpoints – appear to be rethinking the strategic value of participation, overcoming some old prejudices and distrust. Employers are still against any possible institutionalization of BLER, while open on financial participation and strongly favourable to direct participation. Policy-makers, academics and trade union claim for more extensive rights to workers participation: more enforceable and reliable articulation of levels, tools and decision-making. Strategic at the governance, organizational, financial. With a quite unprecedented unity of intentions off all the three main trade union confederation (CGIL, CISL, UIL) about aims and tools.

In recent governments, MPs of different political orientations have aimed to introduce comprehensive legislation that covers all the different aspects of participation: information and consultation, financial participation, board-level representation and organizational involvement (Alaimo, 2014; Zoli, 2015; Carrieri et al., 2015). Work organization and change are a key topics of the new legal support and fiscal incentive in order to convince the companies to adopt new styles and practices in industrial relations (Vinceri, 2015). Here the indirect participation is the source – the firm-level collective agreement – and the direct participation one of their aims and expected outcomes.

Law no. 148/2011 (Art. 8), adopted as prompt response to the crisis and explicit solicitation from the European institutions⁷, pushes for a substantial decentralization of collective bargaining, with strictly linking wage growth and firms' performance. That norm, still in force though scarcely used, states that the adoption of whatever form of participation, through "proximity agreements" at firm or territorial level, justifies the possibility of derogating the rules set by the

Sanpaolo Bank, UniCredit, BNP Paribas, ZF Marine.

⁷ The ECB confidential letter was sent to the Berlusconi Government one month before, in early August of that year.

law and the national sectoral agreement.

Law no. 92/2012, promoted: “Participatory approaches to industrial relations, in line with the guidelines adopted at European level, in order to improve the competitiveness of the companies” (Article 1.1, lett. b). More specifically, the Parliament was delegated to launch a law aimed at encouraging “forms of employee involvement in the enterprise, triggered collective agreements”. Among the principles and criteria stated, there was “the institution joint, parity-based or mixed bodies, with the competence of control and participation in the management of matters such as the safety of workplaces and workers’ health, the organization of work, vocational training and equal opportunities” (art. 4.62).

With the Stability Laws for 2016 and 2017, social partners are encouraged to negotiate decentralized agreements aiming at increasing performances through decentralized collective agreements. Collectively agreed wage increases (also in the form of employee share option), productivity-related, will receive a lower taxation of just 10%⁸. In order to benefit of such a productivity premium, improvements have to be real in terms of productivity, profitability, quality, innovativeness, resulting as directly related outcomes to the company or territorial collective agreements. If enterprises want to accede to such a de-taxation, improvements have to be real and measurable, under the monitoring and validation of public agencies, in charge of such a (not easy) task⁹. In April 2018, 31.690 agreements and requests of conformity were delivered to the Ministry of Labor, whose 9.952 already active, tackling one or more items. The largest majority concerns firm-level agreements, focusing on productivity and profitability-related premium. 1.467 texts foresee “plans of participation”, although is still not exactly clear in what they do consist.

In conclusion, most of the norms and bills adopted or under discussion tend

8 For a max of 2.000 euro (up to 2.500 for companies adopting forms of employees involvement), for employees who do not earn more than 50.000 euro gross per year. For 2017, such a double ceiling should be moved up to 3.000 euro for the premium (4.000 for companies adopting forms of employees involvement), and to 80.000 for the max income.

9 Evaluating parity-based committees formed by signatory social partners, at the territorial level, will verify that employees will receive from their employers’ communications concerning the premium and its correct application.

to be based on the 'free will' of the social partners, at the decentralized level. Nothing but a voluntary approach to participation, with a weak enforceability, no sanctions for avoidance or violations, predictable scares diffusion and effectiveness. No reason to believe that companies will willingly establish supervisory boards with workers' participation, when these are not mandatory. Only financial participation might receive a real impulse, due to companies' need for recapitalization, especially because of the banks' credit crunch. Direct participation is instead, due to its natural degree of informality and managers' support, the typology most destined to know a significant growth either in terms of diffusion and importance.

Part 2: The Direct Participation in the sectoral and company-level survey

Introduction

Our empirical survey was conducted in two sectors: metal industry and banking, leading in innovation, respectively in the industrial manufacturing and advanced services and tertiary sector. For each of the two, we collected documents and carried out semi-structured interviews with selected respondents from social partners. Our aim was to investigate about their definition of DP, diffusion, common forms and practices, impact, policy and reflections on the future of DP, in their viewpoint.

Company case studies have been conducted in two very important companies; the FCA, a worldwide champion in the automotive sector, and Intesa Sanpaolo, one of the largest financial institutes in Europe. For our theme and purposes, the former (ex FIAT) has roused – either for its historic importance and for the deep changes in working conditions and industrial relations – great interest, debates and still ongoing disputes. The case of Intesa Sanpaolo revealed a far lower use of the DP, essentially limited to individual arrangements in the use of smart-working, whereas the instrument of indirect participation remains predominant, through a very active role of mixed and joint commissions.

When we started, we knew about the growing weight of DP in the metal industry, less in the banking sector. The results of field research have confirmed the

different role played in each, with the metal industry very launched in the search for new forms of work organization, and the banking sector - although invested by enormous processes of innovation and digitalization – where industrial relations and HRM within the more traditional information and consultation schemes, the joint committees, the collective negotiation. Also the approaches of some of the most representative and influential associations appear quite differentiated, with a stronger divide between the unions in the metal industry, where employers and a part of the union movement (FIM-CISL) seem to share a common positive view about DP, and another union (FIOM-CGIL) very much critical. In the banking sector, DP is quite residual and doesn't seem to provoke the same contrasts, as indirect and financial participation are prevailing and well established. Respondents barely seem to know or taking it in great consideration, as negotiation and consultation are so frequent and wide in their scope to be considered still the best way to approach the anticipation of change. Yet, with levels of union density of 70% and more, employers are dissuaded from searching DP as alternative to the traditional forms of industrial relations.

5.1.1 - The metalworking sector and its system of industrial relations¹⁰

The metal industry is a pillar of the Italian economy. It produces wealth for over 100 billion euros exports assets for 200 billion euros (2017). The active enterprises, approximately 200,000, represent 5.2% of the total economy, and in terms of R&D expenditure, are medium/high technology. 1.6 million people are employed in the sector, one of the highest number in Europe. During the long crisis of this last decade, the sector has suffered a severe impact and the employment dropped for more than 320,000 (-12.5%).

Union density is 32.8%, quite aligned with the national average of 33.4% (Carrieri and Feltrin, 2016). The most representative federations are FIOM-CGIL, FIM-CISL and UILM-UIL. Employer density is estimated at around 50%, with a number of employers' associations. The largest and most influential of the latter is

¹⁰ For this section, we conducted some face-to-face interviews with the General Director of the largest employer of the sector (Federmecanica), Stefano Franchi; with Marco Bentivogli (Gen. Secr. FIM-CISL), Gianni Alioti (National FIM-CISL), Massimo Brancato, Valentina Orazzini (National FIOM-CGIL), Mario Sai (Chamber of Labour, Milan).

Federmeccanica (affiliated to Confindustria), with more than 16,000 enterprises, employing 800,000 workers. The two-tier bargaining system is based on the priority of the national industry-wide agreement. In recent years trade unions have reinforced the role of firm-level bargaining with the aim of increasing flexibility and productivity. The whole metal industry is covered by five national collective agreements, all signed by the same unions with the various employers' associations, depending on firm size and economic subsector: large industry, small and medium, cooperatives, craft and goldsmiths' wares. To date, all the main national collective agreements have been renewed.

Negotiations on the new national industry-wide agreement were difficult and protracted, taking more than one year, before to be signed in November 2016 by all the three most representative trade unions and the largest employer association (Federmeccanica). The draft agreement was approved by all the workers, either union and non-union members, in a ballot. The new agreement provides considerable novelty, on wages dynamic, complementary welfare, training, empowerment of the firm-level bargaining. For what concerns the *participation*, bilateral committees have been enlarged to new items, like studying a new system for professional classification. A new *participation advisory committee* must be established in larger companies, over 1,500 employees.

In the metal industry there're some of the most meaningful experiences of innovative work organization and employee involvement. The DP through individual and collective audits, team work, suggestion box, is here one of the pillars of the new organizational paradigms. We already mentioned before the good practices of some highly innovative companies in the automotive, bio-mechanical, robotic, packaging. The most common situations concern the indirect participation. Joint committees exist on a range of issues (health and safety, work organization, training, skills, welfare benefits).

The theme of workers participation and involvement is often approached through a complex set of rewarding systems. There are also some cases, though rare, where direct and organizational involvement finds a reflection on financial participation, through forms of employee share ownership schemes. This is

the case of Omb-Saleri. In some case, the corporate (usually MNCs) assume a systemic approach aiming at the greatest standardization of the production and quality. This is the case of Whirlpool or Electrolux. Under the lean and WCM systems, companies achieve the continuous improvement by encouraging the workers' self-activation, collective and individual, through team work and suggesting tips. This is the case of FCA (see below).

DP, through informal working team, is very popular today. "Groups of improvement" do not foresee the involvement and unions delegates or workers representatives. In the case of Dalmine Tenaris, along with more favorable turnaround and scheduling systems, there were about 40 improvement groups, including workers and technicians. They do not carry out any contractual activity, and innovations are not paid. They meet during normal working hours and the results are discussed in the magical classroom, where their projects are presented to supervisors and management.

According to a survey carried out by the largest association of metalworking employers (Federmeccanica, 2016), 61% of workers emphasize the collaboration between workers and entrepreneurs "appropriate, because it benefits everyone". For 38% it should be "talking to workers, listening to their ideas about work, putting them into practice". For an even greater number: "periodically consulting the workers in the most important choices concerning the company objectives". According to this survey, a large majority of workers declare that their employer "informs workers in a transparent manner about the company choices made".

1.1.2 The case of DP at the FCA

For our subject, the case of FCA (Fiat Chrysler Automobiles) is one of the most meaningful and debated case of WCM, in Italy, with clear implications in the field of the DP.

The Fiat Chrysler Automobiles (FCA) is the result of a global strategic alliance stipulated in mid-2009 between two historic automakers: the Italian Fiat Group and the American Chrysler Group. In early 2014, Fiat Group acquired 100% ownership in Chrysler Group, paving the way to complete the union between

the two groups in both financial and technical terms. The merger has created a multi-national organization, world leader in the automotive sector, at the seventh position in terms of sales¹¹. The Group includes 14 brands like Chrysler, Jeep, Dodge, Fiat, Alfa Romeo, Lancia, Maserati, Comau (production systems), Magneti Marelli (components) and Teksid (iron and castings). In 2017 FCA had a turnover of 111.018 billion euro and a net profit of 1,814 billion euro. FCA operates in 140 countries, with 159 manufacturing facilities and 236,000 workers. In Italy, distributed in 54 manufacturing plants, the largest of which are Melfi,(7.468), Mirafiori (5.815), Pomigliano (4.750), Cassino (3.860).

With some controversial company-level agreements signed between 2009 and 2011 by two out of the three main trade unions (FIM-CISL and UILM-UIL pro and FIOM-CGIL against), various and significant innovations were introduced. Among others, the adoption and extension of the WCM to all the factories, a new metric and ergonomics system, an industrial relations system for which only the trade unions signatories of group agreements are enabled to have their own representatives in the workplace¹². A part of the wage increases is linked to the productivity of the plant and the scores achieved. Scores are provided for the performances of the individual production units and prizes for workers who stand out for their activism and for their proposals for improvement, and problem solving skills. Establishments and workers are competing with each other.

For signatory unions (FIM-CISL, UILM-UIL, FISMIC), these agreements - considered as the result of their sense of responsibility and openness to the challenges of change - have made it possible to save the future of some establishments, fostering a social modernization. technique that puts them today in the avant-garde in the production of vehicles. Pomigliano – which risked the closure, with the movement of its productions in Poland – was recently prizewinner as the best European site of its kind. FIOM-CGIL – which did not sign those agreements, harshly opposing them – has always contested the worsening induced in terms

11 See *FCA Annual Report 2017*

12 The company left the national employers' association and its stratified system of agreements, to sign a new, unprecedented first-level agreement, valid for all the Group, de-linked from the metalworking industry-wide agreement. The new system recognises a workplace representation to the signatory organisations only (no matter how many members they have or votes they received).

of working conditions (more tiring and exhausting), pay system and, above all, industrial relations. Since now on, unions are de facto obliged to sign the agreements wanted by the company, if they don't want to be excluded from representation and negotiation in the group's plants¹³. As it happened to FIOM, no matter how representative it was/is, after its refusal to subscribe the new system.

The World Class Manufacturing (WCM) is the paradigm of the FCA production process. It is considered as a rigorous and integrated manufacturing system that leverages the involvement and development of the employees. As one can read in an official webpage, "It is the foundation not only of our production processes, but first and foremost of the Groups industrial culture"¹⁴. Of the new system, DP is a pillar and it's pursued through the workers' suggestions for the continuous improvement and an expanding use of the team working.

Suggestions boxes, in FIAT/FCA, are a common practice since 2008. Over 800 projects were implemented to improve logistics, quality, safety and environment. At the Pomigliano plant, workers have suggested over six thousand suggestions; more than 30 tips / year per worker, with a reduction of industrial costs esteemed around 4-5% per annum. All this requires individual workers to have a greater cognitive (not only manual) engagement in the management and control of both the production process and the quality of the product. At the Pomigliano and Melfi plants, on the new assembly line, each worker and each workstation have their own fixed iPad, connected to the central system. According to Luciano Pero, a work sociologist near to the FIM-CISL¹⁵: "These are figures never reached in Fordist factories. The worker who gives 30 suggestions is a somehow an

13 The new system recognises a workplace representation to the signatory organisations only (no matter how many members they have or votes they received). Unions refusing to sign – such as FIOM-CGIL – are not allowed to designate their shop stewards and are excluded by the law prerogatives for workers' representatives. The dispute paved the way for a harsh period of conflicts and reciprocal accusations. FIOM-CGIL has campaigned unceasingly against the new model, registering a number of successes at the case law level, leading up to a final ruling by the Constitutional Court, which denounced the FIAT/FCA system as unconstitutional.

14 www.fcagroup.com

15 FDV workshop on DP, Rome, 17 October 2017. For an extended presentation of Pero's view, see *Industry 4.0: tecnologie, organizzazione e ruolo del sindacato*, in M. Bentivogli et al., *Sindacato Futuro in Industry 4.0*, FIM-CISL, 2015

engineer, whereas the engineer who goes to the assembly line to solve some quality problems or inconvenience is a worker himself. The borderlines between workers, engineers and managers are being reduced. As also the boundary between the roles of those who execute and those in charge, is fading, except in the case of the top managers who decide the big strategies. Worker's work becomes increasingly autonomous, intelligent, creative. Of course, there are still *dirty works* (cleaning, for instance) but even in these cases there are examples of automation and new technologies".

Beside the workers' suggestions, the true backbone of the WCM is the team working. It's achievement is still uneven, as not all the plants have implemented it at the same degree. Pomigliano is one of those supposed to be at the vanguard. As one can read in a Group's official webpage: "Our final belief is that to achieve and sustain World Class levels in every aspect of manufacturing, you must develop competent leaders throughout all levels of the organization who are capable of supporting the needs of an ideal production system". Staff at the assembly line is organized in small teams of six workers, with a team leader. While there's one team leader every six workers, shop stewards are merely one every ten teams. This is a key point, as critically underscored by the representatives of FIOM-CGIL. The consequences of such a different ratio, in terms of dis-intermediation, could not be more corrosive. Team leaders know much better the workers' situation in their little group, thanks to a daily face-to-face professional and personal relationship. "They take pizza or play football together, establishing fiduciary relationships. In this way, the company builds its consensus system, creating the premises - in the medium term - for a marginalization of the role of the union in the workplace, they become the first reference for individual workers" (interview with Brancato, FIOM). "The team leader should be the guarantor of workers' participation to the company's objectives, but these neither negotiated or negotiable. He represents only a leadership imposed by the company. Mind you! it's not like that anywhere. At Volkswagen or Audi, the team leaders are elected among the workers, and therefore represent a leadership won through the authoritativeness and not the authoritarianism imposed by the chain of company command. We think this must be the way; workers, through their delegates, must be able to put forward

their proposals”¹⁶.

In order to catch the workers’ perception of the new system, FIM-CISL realized in 2012-14 a broad survey, conducted by the University “Politecnico” of Milan with more than 5.000 questionnaires, distributed in 24 FCA’s plants¹⁷. The goal was to investigate the impact of the WCM on the workers’ perceptions, in terms of working conditions and involvement. The overall evaluation emerged was quite positive, though with significant variations from plant to plant. The average assumption from the workers was that “WCM brings benefits right away”; Workers declared their satisfaction for what concerns: improving the working environment, the cognitive contents of the work, the information and training system, participation in continuous improvement, job rotation. “I work better although the work, in terms of tasks and efforts, is tightened”; “My job is less tedious” was the answer in 52% of the sample. Very high the workers’ consensus to the new situation; “Fiat is a good place where to work” high rocketed 97% in Pomigliano. but “little practiced” (“I would like to rotate more among work stations”). The survey revealed also several critical factors, like: low-skilled worker teams, little time for discussion into the team (35%), little feedback to workers’ suggestions, low premium satisfaction (only 23% positive). In the new organization, workers complain less “porous” and more saturated times and rhythms. Workers/management power relations are not really balanced.

Also the FIOM-CGIL, adverse to the new system, has launched its own broad national survey, circumscribed to the blue collars only, with asking their evaluations of the changes in working conditions. The investigation – conducted in 2017-18 by the Fondazione Di Vittorio and Fondazione Sabattini on just under 10,000 questionnaires collected (19% of the group’s blue collars) – reveals an overall critical assessment. Almost 60% of respondents see their general conditions worsened. The most criticized aspects concern the professional classification, the trade union intervention, the organization of work. Positive opinions regard work safety, ergonomics, working time, relationship with the leaders. 36% say

¹⁶ De Palma (Nat. Resp. Automotive, FIOM-CGIL), *La FIOM mette FCA sotto inchiesta*, “Inchiesta”, n. 195/2017; p. 73

¹⁷ Campagna et al. (eds.), *Le persone e la fabbrica. Una ricerca sugli operai Fiat Chrysler in Italia*, Guerini Associati, 2015.

that the adoption of the WCM has left the situation unchanged, 30% that has somehow improved it, 25% that has worsened it. At meetings with team leaders, only 6.4% of respondents said to participate often. 45%, especially young and more educated, said to have proposed suggestions for improvement. But almost half said they never received an answer. 70% do not feel to count more than in the past, the collaboration has not grown, according to 60% of respondents and the question of whether the team leader favors cooperation, 60% answered no and 40% yes.

According to FIOM-CGIL, work intensity has now been greatly increased and only partially compensated by some ergonomic improvements. Through the systematic removal of all the *non-added value activities*, managers' control over workers' performances, although more indirect and comfortable, has never been so pervasive. With a new metric, work load and rhythms have never been so much saturated like now; while in the past they could be of roughly 75%, now they can also reach 90-95% (Tuccino, 2011). Beside the working condition, the other crucial and open issues remains the democracy at work; that is the possibility to give the workers a voice to freely elect their representatives either in the works council and teams, as in voting on the collective agreements' drafts. In order to achieve its new participatory system, FCA didn't hesitate to dismantle the traditional order of the industrial relations, with expulsing and historical and for certain representative organization like FIOM, as widely demonstrated in the last elections of the H&S workers' delegates¹⁸. The model pursued by the FCA, for FIOM, is a "participation without democracy"¹⁹: a dissimulation of direct involvement, just in function of the companies' imperatives, while fundamental rights about genuine representation, collective bargaining and strike are openly violated.

5.1.4 – DP in the sectoral social partners' views and approaches

For the largest and influential employers' association, Federmeccanica, the
 18 Unlike the works council, ruled by collective agreements (and excluding FIOM), the election of the H&S delegates is disciplined by the law and cannot be precluded to all unions overpassing certain eligibility criteria.

19 M. de Palma, (Nat. Resp. Automotive, FIOM-CGIL), *La FIOM mette FCA sotto inchiesta*, "Inchiesta", n. 195/2017; p. 73

“centrality of the person” is a key factor of the post-Fordism and of the Fourth Industrial Revolution. Based on effective participatory systems, it contributes to manage innovation and essential for the accountability and the success of the enterprise. At such an aim, a “Cultural Renewal”, either in the internal and industrial relations, is considered urgent for both social partners. In our interview with the General Director, Stefano Franchi, he said: “We cannot imagine answering an ever-new question with an equal work organization for all companies in the industry. Topics such as working hours, performance arrangements, internal and professional mobility must be able to be managed in a way that responds to different and changing needs in a very short time”. “No machine, no robot, in fact, can work unless it is driven by an experienced man or woman; participation is unavoidable”. “Wherever I go – he carried out – I see forms of involvement, either in the collective and individual forms”. Workers “take already part in the decisions and life of their enterprises more than one might think. “Direct participation in companies is quite informal, but not for this uninfluential: periodical meetings with management, working groups aimed at define business goals, and so on, that they can build on a direct participation of workers in organizational / operating company”. “Participation is first and foremost a matter of culture; of attitudes which require to be searched and solicited through a constant effort on both sides in the educational field. We look at the workers firstly like persons, which need and require to be adequately motivated and recognized in their contribution to the firm’s wealth. They must feel themselves like protagonist of something. Secondly, be believe in the value of the direct relationship between management and staff. We don’t believe instead in new legal rules, which establish rigid rights and obligations; solutions “good-for-all”. Individual experiences in the factories must be preserved in their autonomy, and best practices widespread through a bottom-up and informal approach”. This must become the *Italian Way to Participation*. This is not a German-style participation – little practicable for our production system - but we are faced with a sort of “made in Italy” involvement. An innovative approach not limited to the traditional formal and collective relations, but also through “new” direct and informal relationship between the employer and the same worker. This doesn’t mean, for Federmeccanica, that workers and unions representatives are excluded. “For us, a modern system of

industrial relations presupposes the legitimacy and full involvement of trade unions that are in the possession of the requisites of representativeness". "The two dimensions, according to us, are complementary and not oppositional"

On the trade unions side, Marco Bentivogli, General Secretary of one of the three largest confederations and sectorial organizations, FIM-CISL: "The aims and the target of my organization is essentially to renew the union culture and practice to better cope with the radical transformations of the new global scene. We are therefore for a trade union open to the change, which is not contained in the old practices of protestation and centralization, which challenges companies on the ground of innovation, training, participation, collective bargaining which produces knowledge and wealth, and then redistributes them. Gianni Alioti, National Official of the same organization, says that: "Labour and capital must have equal dignity and industrial relations must be based on a principle of reciprocity, in search of shared and sustainable solutions,. In this perspective, the DP of workers is a fundamental added value for the present and future challenges. As union, we have to encourage and expand the DP, alongside indirect (representative) forms of participation and, above all, economic participation (profit sharing systems) at company level, through collective bargaining which allocate to workers a share of productivity gains and efficiency in the use of resources (from energy to materials), product quality. Furthermore, job rotation, polyvalence, team work, participation in continuous improvement groups, etc. must find a fair professional recognition of the workers skills, with a new, updated classification system. In such approach: "The different forms of participation are not in conflict with each other, but complementary. The indirect participation, consisting in joint committees to oversee some contractual issues, must be integrated with direct participation for improving some working conditions, development of skills, variable wages.

According to Valentina Orazzini, international responsible for the national FIOM-CGIL, "The DP represents an attempt to establish a cultural hegemony on the side of the management. In the absence of strong forms of workers' participation, what remain are only the tips boxes, newsletters and other forms of direct involvement. Which are in fact the most widespread realities in Italian metalworking

companies. Their internal reorganization also includes hierarchical changes, enhancing direct and informal relations, to the detriment of intermediation and collective bargaining. We could say that they have learned from us, in the sense that managers have subsumed old union demands towards decision-making decentralization: work groups, teams, self-organization. Approaches that once they have been made by management, contribute to their *reconquista* of power and hegemony in the factory". There would therefore be an ambivalence of the DP, between the search for consent by the company and the self-governing space of the workforce. However, the transition to toyotism, technological innovation, seems to have strengthened the first aspect. The metalworking industry today contains and represents all the major challenges facing manufacturing and services; the ongoing accelerations. According to Massimo Brancato, a national FIOM official: "Today, work performance is increasingly difficult to be collectively negotiated. Disintermediation spaces are widening, with companies very interested in modifying management styles, emphasizing the role of individual workers and teams. It would be enough to read the programmatic documents of Federmeccanica of 2013 and 2015, with their insistent rhetoric about the "centrality of the person" and of his involvement in the work process". The crisis of these years has strongly affected industrial relations in companies. Faced with the risk of factories' closures and job cuts, other very important issues have taken a back seat. There are some cultures, stories and positive experiences, but – it's the self-critic - "in terms of ideas we are not there yet". For Brancato: "The good DP is the one framed by collective bargaining. The role of the joint committees should be enhanced, preventing companies from using them as an alternative to the work councils. In companies, we already have positive experiences, where changes and organizational innovation are not the unilateral result of management strategies, but the object of a real confrontation with workers' representatives. I think of the industrial districts of Emilia Romagna, or cases like that of Lamborghini, controlled by the German Volkswagen, where the management - unlike the FIAT / FCA model - look for and reach collectively agreed solutions on work organization, bonuses, and training.

5.2 The Direct Participation in the banking sector²⁰

20 For this section, we conducted some face-to-face and e-mail interviews with Patrizia

5.2.1 The banking sector in Italy

The banking sector in Italy employs almost 300.000 employees and is characterized by substantially higher levels of remuneration, a traditional jobs stability and security, high qualification of staff by levels of education and female workforce. It is one of the most unionized of the country (75%), with an articulated and participatory system of industrial relations, through multi-level collective bargaining and a strong recognition of the information and consultation rights.

Today the sector, as in other countries, is particularly affected by processes of radical restructuring, in terms of the organization of services to customers and work²¹. The financial work and servicing processes have already been massively digitized and automated, while customers have learned to perform most of their operations remotely, through home banking. The center of gravity of the distribution networks is moving sharply from the physical to the digital channels. Technological innovation and digitalization of processes – the so called “Revolution 4.0” – have already produced the following significant effects²²: elimination of entire administrative work phases; reduction of back office activity; simplification and reduction of front office activities; change in the methods of interaction with customers; reduction in the number of banks and bank branches/offices.

As result of all this, the number of people who goes to the bank offices is increasingly small. Quicker and more convenient to do everything with the app²³.

Ordasso (HRM Intesa Sanpaolo), Incletolli, (FIRST-CISL), Agostino Megale (Gen. Sec.), Giuliano Calcagni (FISAC-CGIL), Claudia Fumagalli (shop steward in ISP). I'd like to thank Nicola Cicala, Francesca Carnoso (Nat. FISAC-CGIL) for the useful help in searching documentation and contacts.

21 As highlighted by the Association of Italian banks (ABI) in a recent report, the banking sector is among the most exposed to the ongoing and worrying challenge of digitization, with very heavy impact on jobs and employment perspectives. The causes of this change are several and concern the massive introduction of automatic technologies and the organizational developments of banks, the profound changes both in the external economic and social reality; the new savers and customers' demands; the harsher competition among banks, online only banking more and more possible and profitable; the risk of bankruptcy of various banks has triggered a series of mergers, involving overlaps of personnel and offices. *Rapporto ABI sul mercato del lavoro nell'industria finanziaria 2016*, Roma, 2017

22 G. Lami, *Le banche e le assicurazioni*, in “l'Annuario del lavoro 2017

23 According to recent research by an important vendor, over the next five years 70% of

The most evident result is a drastic contraction in the number of bank branches, and consequently in the number of employees in the sector. In ten years, Italian banks have decreased by 45.000 units, about 4500 a year, with a drop from 340.000 employees to 295.000. According to some observers, the sector might need to reduce staff by 30% over the next five years, which means a huge loss of almost 100 thousands jobs in 2022.

For the social partners, all this requires the search for new channels through which to manage crises and restructuring in the most socially sustainable way, reducing the occupational impact as much as possible. This requires intervention in the crisis and redundancies management, but also and especially in the anticipation of changes, in the field of the work organization, that may correspond to the new, increasingly digitized, features of banking services.

1.1.2. Industrial relations and participatory system

The sector boasts a solid tradition of collective bargaining, both at sectoral and company level, strongly inspired by participatory models, with the recognition of information and consultation rights. According to recent ABI data, unionized employees among bankers are 230.000: a record percentage of 76% which makes banking the most unionized category among Italian workers. There are seven unions²⁴, comparatively considered most representative, taking part in the negotiation of the national collective agreement, more than the average in the most important manufacturing sectors. But they usually operate with another degree of convergence and unity. Companies are represented, at national level, by the influential Italian Banking Association (ABI), which negotiates the national contract of the credit sector with the most representative unions.

The last national sectorial agreement was signed on March 2015. Large parts of it are dedicated to the workers and trade unions involvement, with the a sample of users of financial services in Europe will use more online banking, and 60% more mobile services.

²⁴ According to the latest findings, the extra-confederal Fabi, which after the merger between Dircredito and Fiba-Cisl, had lost the record, are back to be the first union, with 27.9% of members, followed by the First-CISL with 27.8 %, from Fisac-CGIL with 20.9%, from Uilca-UIL with 11.7% and from Unisin with 8.5%. Two other associations remain below 5% and are the Sinfub, which has 1.9% and the Ugl credit which has 1.3%.

recognition of extensive information and consultation rights on many subjects. As we can read, the signatory parties agree to develop “*a conscious participation of all workers in the company life*, in order to foster a positive corporate climate of respect, trust and cohesion, with encouraging collaboration among colleagues, in the logic of nurturing the team spirit and possibly providing specific moments of internal communication to give appropriate evidence to the active listening channel”.

A National Bilateral Committee is in charge of acquiring information, disseminating good practices and implementing initiatives in the field of trade policies, information, training, and incentive systems. The committee will study, among other things, the sectorial climate, with the aim of improving the well-being of workers in the workplace.

Bilateralism – the social partners’ co-management of complementary welfare schemes – is one of the pillar of the sector’s industrial relations and its participatory system²⁵. Thanks to the bilateral solidarity fund, it was possible in recent times for 58,000 workers to access early retirement in more than decent conditions. Companies have been able to restructure with over 500 between mergers and reorganizations in a quite few years, with the creation of large banking groups, without tensions and social conflicts.

Collective bargaining at a decentralized level is a fundamental tool for finding shared solutions, able to combine the search for greater flexibility and profitability on the part of companies, with the workers and trade unions aims to safeguard jobs and a better quality of working life and conditions. In large banking groups, the frequency of meetings between the social partners is very high and there is discussion of all the issues and in particular those relating to personnel management. The role of union representatives in the company is very recognized and their relationship with colleagues is quite intense. In coping with the deep reorganization resulting from new business plans, company level agreements aim at increasing the efficiency of the bank offices, strengthening productivity-related bonuses, welfare benefits, wellbeing at work, work-life balance.

25 S. Girgenti, *Dalla bilateralità alla partecipazione. Le relazioni sindacali del settore credito e finanziario*, Edizioni Lavoro, 2017

The assessment of workers' skills and their professional training needs are subject to participatory procedures. The company, also at the request of the trade unions and staff representatives, communicates to them - during a specific meeting - the guidelines, principles and criteria that are intended to be adopted for the professional development of personnel and for the evaluation of the same. Continuous training, beside technological innovation and work organization, is considered the main way to encourage a greater workers' participation in the company. In the national sectorial agreement, the parties agree that the development of ICT allows greater flexibility at work and can promote efficiency and productivity in companies, with responding to social needs such as environmental protection, the improvement of the quality of living conditions, a better management of working time, more effective integration of the disabled workers.

5.2.3 DP in the banking sector

Forms of DP are practiced as a part of the HRM, with complementing the traditional forms of representation and social dialogue, which in the banking sector remain by far the main pillar of the employment relationships. One of the most common and widespread example here are the „climate surveys“ or the focus groups with the staff on specific topics. This kind of initiatives are commonly labelled by the literature as forms of DP. The last national sectorial agreement is pretty much focusing on the *well-being in the workplace*. Social partners aims to foster „a collaborative and constructive atmosphere in the workplace“ and indicates that the parties will conduct, with criteria and modalities to be agreed, „a sectoral climate survey through third parties with proven experience and qualifications, the whose results will be analyzed by the Committee itself. The parties will examine in a specific working group any phenomena that may be relevant in connection with the issue of well-being in the workplace“. Also the preparation of ethical codes or integrity cards has been accompanied by moments of widespread participation by workers.

Another form of DP is related to the issue of work-life balance, pursued through direct arrangements between employees and their executives. So called “smart”,

“agile” or “flexible” work, is the most common way through which the banks and their employees, on volunteer basis, stipulate an individual agreement concerning the working time flexibility and work organization. The financial sector in Italy is one of those where smart working is getting more and more importance in changing of work organization. Individual agreements are framed within the rules and guidelines established by collective agreements, aiming at preventing any possible discretionary use by the companies. More and more companies have been signing agreements with such a contents: Intesa San Paolo, Gruppo UniCredit, BNP Paribas, Banco Popolare di Milano, Monte Paschi di Siena, Banca Nazionale del Lavoro, Banca Reale, Gruppo Crédit Agricole Cariparma. Smart working give the employers the possibility to manage the reduction in number of the staff daily present in office, with reducing costs and presumably increasing productivity, with a better work-life conciliation for employees. Smart working normally consists in scheduling two or three fixed days per week, when employees can perform their duties from home or remote. Access will be on a voluntary basis, at the request of the employee concerned, in possession of the requirements defined by the collective agreement. The company must inform the worker of the specific working procedures related to this new form of working. Opting for working from remote or with a non standard working time, cannot be detrimental to the employee in the opportunities for professional development and to any other effect of the employment relationship. Their use must be in full compliance with certain guarantees. The teleworker has the right, at unchanged working time, to the contractual pay corresponding to that of the other employees with the same classification who lend their work by traditional methods.

In recent times, managers have been increasing pressure on single employees to sale financial services to customers. Employees are contacted by their bosses and pushed to sell more and more commercial products, as their pay and job security are very much related to the volume of their new contracts. It's hard to define it as a form of DP, although – interestingly – that's the way it was described by some unionists we interviewed. Such a pressure has provoked in the employees cases of work-related stress, as repeatedly complained by workers to their union representatives²⁶. The outbreak of some scandals related to the very high risk

26 In 2016, the FISAC-CGIL published the results of a survey about work-related stress

of financial products sold to customers, in Italy and abroad, has convinced the sectoral unions to make this topic a field of conflict and negotiation. After threatening strikes, the unions signed a new national collective agreement, on February 2017, just to regulate this kind of pressure on staff. The surveys on the social climate and on the well-being of workers will no longer be, as in the past, carried out by the companies, but commissioned to third-party institutions, in order to avoid a misrepresentation of the real perception of workers. In the meanwhile, trade unions have set up on-line services to collect any complains from workers denouncing undue pressures from management.

1.1.4 Employees' participation in the case of Intesa Sanpaolo Bank

Intesa Sanpaolo is an Italian banking group resulting from the merger, in 2007, between Banca Intesa and Sanpaolo IMI. Intesa Sanpaolo (ISP) is among the very first banking groups in the Eurozone, with a market capitalization of € 52.2 billion, 1,100 branches and 90,807 (2016) widespread all over the world. Today, it is the largest banking group in Italy, with approximately 4,700 branches, 65.000 employees and 12.3 million customers. In Italy, the Groups is very highly unionized – around 85% - and collective bargaining is a constant practice on the whole range of employment relationships. Industrial relations are inspired by principles of fairness and respect for roles, compliance with the rules, and the aim of constantly achieving new convergences for growth, competitiveness and sustainable employment. Information, consultation and negotiation are carried on into a *National joint committee on welfare, safety and sustainable development* composed by 70 members. The intensity and frequency of meetings between the group's management and trade union representatives is extraordinarily high. As we've been said by a national trade union official in charge of this bank: "We

conducted with the University of Pisa, through questionnaires, with a sample of workers of the sector. What emerged was the following: 84% of respondents say to feel uncomfortable with be forced to advising customers of some financial product, only because included in their budget and work duties; 64% consider these pressures and requests in conflict with what they consider morally right; 82% feel anxious about the failure to achieve the budget targets; 78% are in difficulty in the face of continuous corporate reorganization; 63% say that colleagues or bosses urged to be "flexible" in the performance of the work duties; 60%, consider that the pace of changes at the workplace exceeds their ability to adapt. Mannocci A., La Torre G., *Work-related Stress: observational study on banking sector*, 2016.

meet on average twice a week and discuss everything; from the application of the national collective agreement in all its parts, to the use of technological innovations, the organization of work, personnel management, resolution of restructuring which are socially the least painful possible. Personally, I hear the personnel manager on the phone almost every day. We do not limit ourselves to discussing but we want to establish real collective agreements, on individual themes" (Calcagni, FISAC-CGIL). "Almost 1,000 agreements have been signed since the Group was established in 2007, some of which decidedly innovative" (Ordasso, manager ISP). The company agreement, in addition to incorporating the contents and addresses of the national sectoral agreement, collects and systematizes all these partial agreements to single issues in a single text.

In 2014, the corporate signed some innovative agreements with the unions, aimed at recognizing a greater organizational and production commitment. The agreements established the free allocation of Intesa Sanpaolo shares to individual employees; a co-investment with the possibility of accessing an investment plan ("LECOIP Plans - Leveraged Employee Co-Investment Plan") that allows employees to participate in the expected growth in value with the implementation of the Business Plan. Overall, 79% of the employees decided to adhere to the employee share ownership plan. Furthermore, the ISP has been characterized by a well-structured welfare system, developed also through a constant social dialogue between management and unions. The solutions at company level integrate with those established by the national sectorial agreements, by offering the employees an articulated system of guarantees – through supplementary pension and health care funds – of flexibility aimed at reconciling life and work through permits, leave, flexible hours, part-time, working hours account, etc.. Employees benefit of subsidies and financial provisions for families with disabled children, extra-professional accident insurance, loans, mortgages, meal tickets, scholarships.

For what concern above mentioned pressures complained of by workers and unions with regard to the sale of high-risk financial products, the reports received by Intesa Sanpaolo's management were approximately 150 in three years. "A very limited number, if compared to an audience of about 65,000 employees. But this

does not make us forget the problem; in many cases our procedures intercept the riskiness of the products, and the consistency with the customer's risk profiles, not allowing even the commercial proposition" (Ordasso, manager of the ISP).

Also the ISP has to deal with the profound changes induced by the digitalization of services, with heavy repercussions in employment and job losses. In this regard, about 13,500 people in the Group were involved with the participation in a dedicated questionnaire. The corporate Business Plan 2018/2021, it's written, is based on the commitment of people to its implementation, placing the persons themselves (together with innovation) as key enablers of the Plan. In December 2017, the social partners signed an agreement to manage a massive program of restructuring and jobs redundancies. By 2020, there will be 9,000 exits from the group, partially compensated by 1,500 new entries, young workers with high ICT skills²⁷. Their management will take place in relatively painless ways and times, thanks to the support of the government and of the "national fund of solidarity", financed by companies with a share of salaries and jointly managed by the social partners. Individual workers will agree with the company voluntary early retirement programs.

5.2.5 The experience of Flexible Work

In in 2014, a project about smart working was started to be discussed, solicited by the trade union who aimed to convince management on the usefulness and advantages, also for the company, of new work solutions. The company accepts the request of the trade unions and on December 2014 an agreement is signed for the start of the experimentation of the "Flexible Work", in a place different from the usual workplace of assignment; from home, from hub, from customer. The key element of the project lies in the flexibility of the place where the work is performed, while the rest of the working conditions remain unchanged: working time, worker's rights and duties, power of the employer.

The model adopted in Intesa Sanpaolo foresees that the staff leaders indicate their structures as compatible with the performance of flexible work. At that

²⁷ With this agreement, the bank envisages savings in personnel expenses when fully operational (from 2021), totaling approximately € 675 million annually.

point, all workers can require to benefit of the flexible work schemes, as long as their own role is compatible with the new location outside the office, whereas the company will provide a portable PC. Accession is strictly voluntary and can be revoked by both the worker and his manager, 10 days in advance.

Flexible work must be programmed; it can be used for a maximum of 8 days per month if carried out from home, while no limit is foreseen by a hub or a customer; it does not vary the working time, nor the individual flexibility, the temporal location, the lunch break (remember that there is no control and no “stamp” from home); does not change the rights and duties of workers, as it does not change the managerial and disciplinary power of the employer; the worker must be contactable (there are company tools such as skype).

After a first phase of experimentation, the system was generalized with a new agreement, signed on 17/12/2015, with which the Flexible Work is confirmed as a way of working that meets the needs of the company with those of the employees and their families. For workers employed in locations where it is not yet possible to carry out the Flexible Work, a Protocol for the Group’s Sustainable Development, signed on 1 February 2017, allows developing the “Flexible Work” on an individual basis to assist family members with serious illnesses and for those over 60 with serious personal or health needs.

For the start of the experimentation communication was very important, with the creation of a dedicated section on the company Intranet and some video clips launching the new opportunity, and training, with a classroom course for managers and staff managers and online training pills for the participants. Furthermore, the online procedure was set up to forward the application for individual requests and booking of workstations in the Hubs.

The preventive involvement of the leaders, and the “contagion” effect from one office to another, have allowed a progressive and continuous enlargement of the structures involved and consequently of the employees who have been able to access the Flexible Work, allowing the success of the initiative.

Today, almost four years after its first experimentation, the situation is as follows:

over 8,000 employees in more than 500 offices and 59 corporate hubs, with the objective to reach 24,000 in the next three years, men are 54%; women 46%; 91% of the cases are from home; a decrease of 28,4% in the number of absences and – 24,6 of one-day illnesses

Advantages for workers are quite clear and workers seem in fact to appreciate very much the new opportunity. A survey carried out after the first phase of experimentation, highlighted a strongly positive assessment. The most appreciated change is a) the reduction of travel time between home and work, with the saving of transport costs and a better conciliation of private and professional life, b) to have more peace of mind in the performance of work tasks.

For the management, the decision to carry out the Flexible Work responds to the logic of reducing the number of the attending staff in office and some consequent costs.

For the unions, flexible work give a chance to catch the workers' needs, with enlarging scope and items for collective bargaining. In their view, "the greatest impact is on management. In fact, for managers and team leaders, it requires a change in mentality and behavior (responsibility and trust), in the organization of work (planning, autonomy, flexibility), and in leadership styles (team inclusion and management). In the next few years, managers will be more and more required to organize virtual teams, which is different from the traditional management of the physical team. And this will be certainly a big challenge for them and, more generally, for the employment relationships at the company level, either individually and collectively" (Fumagalli, shop steward, ISP).

For the success of smart working, training is a determining factor. Flexible training (smart learning) has been launched for branch staff. This is a new way of using the training "from home", during normal working hours, with assignment of I-pads and with the same rules of Flexible Work. To date, almost 30,000 employees have been involved in flexible training and the scope is continuing to expand.

5.2.6 DP in the views of the social partners

According to the head of industrial relations of the Italian banking association (ABI), Giancarlo Durante: “Technological innovation is the pivot on which the future of relationships within banks revolves. The reorganization of the sector requires more and more flexibility of work, aimed at also to satisfy the growing and changing needs of customers”.

For Patrizia Ordasso, responsible of the industrial relations at the Intesa Sanpaolo: “Innovation in all fields is one of the fundamental drivers of our business plans. For this reason, we want people not to “undergo” change and are rather participants and actors in its development. Thanks to the constant work done with the unions (there are usually union meetings every week of the year, with the exception of the month of August) we always try to anticipate and manage the changes and the use of new technologies”. From this point of view, the DP - in its most “classical” form – is considered a complementary channel, not the prevalent, and must be focused just on specific issues and moments. “For us, in fact, the intermediation of the Syndicate undoubtedly represents an element of coherence and homogeneity among the workers’ requests that can instead differentiate themselves a lot and make HR’s work much more complex”.

On the trade unions side, Mauro Incletolli (Nat. Off. FIRST-CISL) sees the participation as the possibility to influence the companies’ deliberations impacting over the working conditions. From such perspective, DP seem to be not particularly relevant, whereas all the unions efforts should be concentrated in obtaining the right to be represented into share ownership plans, with the consequent right to have an institutional voice within the shareholders assembly. At least, whenever worker’s issues are discussed and decided. Agostino Megale (Gen. Secr. of the FISAC-CGIL), thinks that: “Industrial relations inspired by a participatory approach, the continuous training of employees, the search for innovative forms of work organization, are the channels through which the sector can positively pass through the crisis that affects it. Finding shared and socially sustainable solutions, able to modernize the sector, with safeguarding the transparency of the financial system and the protection of saver customers”.

In an extraordinarily unionized sector, with very intense levels of negotiation and collective consultation, the search for direct participation - without the participation of union representatives - is rather sporadic. “Everybody in a big city like Rome knows their union representatives in the territory, and when I was - a national official tells us - I was also a psychologist, as well as a trade unionist”. The trade unionists distrust from those forms of communication and direct involvement between the company and individual workers. A national official of the FISAC-CGIL union told us: “Direct participation has always bothered me because I consider it as conceived by the company to evade or vanish the role of the union. Even among workers, those who accept this plan are seen with mistrust by colleagues, and considered as a rupture of solidarity, in an attempt to co-optation by the management”.

Part 3: Reflections on the Future of DP

5. The evaluation of the experts and social partners

In our research and fieldwork, we conducted a number of interviews with experts and trade unionists. Especially for the sectoral and company case studies (see below). We also organized a little workshop²⁸, calling some academics and researchers to refer about their studies on the subject of employee participation and changes at work. The outcomes of that discussion were very fruitful and we want to resume some of things we heard.

Luciano Pero, work sociologist at the University of Milan, said: “In Italy, DP has spread later than in other countries. This was due to the structural characteristics of our production system, centered on SMEs, and to the cultural delays of all the actors”. According to Pero: “Our production system is divided between a minority of very innovative and export-oriented companies – let’s say the 25-30% - and a majority aiming to compete just on labor costs. In the first group the DP is already a reality; work is safer, more qualified and rich of skills. Some companies have already adopted forms of advanced lean production and WCM, driven by technologies 4.0, with a common use of job rotation, team working and suggestion schemes. Among others: FCA, Luxottica, Pirelli, Ferrero. Others still

²⁸ Rome, 13 October 2017; Fondazione Di Vittorio; Direct Workshop

use traditional forms of lean production, based on top-down pushed TQM, aimed exclusively to combat waste and reduce costs. Technological and organizational innovation drives the DP. Management needs both. Workers, on their side, express a tremendous desire to be involved in the changes. They cannot tolerate when such a changes are imposed unilaterally, without taking into account their viewpoint. They long for recognition; they want to have a voice on their working conditions. That's why they see the DP as an extraordinary opportunity to improve them. For managers, this can bring huge advantages; the employees' suggestions, for instance, can impact remarkably on the problem solving. In Italy, the most common forms of DP are still individual and informal; in general, weak. But there're some best practices, where for instance the use of team work is well functioning, or where the use of social networks – like what's app – among workers, enhances horizontal cooperation and technical skills socialization. I want to mention four interesting examples:

- 1) the “Product Committees” at the Omb-Saleri: it consists in a sort of *team of team leaders*, in charge of managing the whole productive process, in a very non-hierarchical way;
- 2) the “Community of practices” at Eni, with a 20% of the staff involved, through people-to-people practices where old informal knowledges are codified and shared. Unions at the workplace, it must be said, barely know the existence of such experience;
- 3) the FCA suggestions boxes and working teams; the former increased from an yearly average of 2-4 per worker to 10-12 (30 at the Pomigiano plant); the latter s eroding the traditional top-down hierarchy, with a team-leader every six workers, who are in charge of two or three work stations. The team works in a quite horizontal and self-determined way; giving the workers trust and courage.
- 4) the Call Centres of Casarano, where – through forms of DP – it has been possible to design work shifts and hours much more fit for individual needs.

Is it all so idyllic? No, Pero answers; it is not. “There's for instance the problem of a pay recognition for such an extra involvement. It can in fact imply a heavier

work burden, in terms of higher saturations and less porosity in the work rhythms. Yet, and in general, best practices are still very much limited to a minority of innovative firms". What must the trade unions do to cope with such radical challenges? "In my opinion, unions have an enormous space for thinking and implementing more human organizational forms, with which to manage technological and organizational change. It must pursue to humanize work, enhancing – for example – team work. The exchange could consist in accepting the managers' aims for continuous improvement, which produces cost reduction for companies, with taking part in a fairer distribution of the productivity results, as a reward to workers. Accepting the challenge of DP implies a change in the traditional unionist mentality. Twenty years ago and more, he would have called it *self-exploitation*. Even today, workers understand well this risk, but they accept it because they see that at the same time the quality of work is improved, fatigue and accidents are reduced, while the profit margins increases. So, they think, you can go and ask the employer for wage increases in exchange".

For Mimmo Carrieri, sociologist in industrial relations at the University of Rome La Sapienza and author of important publications on workers' participation (Carrieri et al., 2015), "the interest in DP is growing, just when it seems to decrease in traditional indirect participation". The cause lies in the "unsatisfactory results from the ultra-ten-year experience of information and consultation rights. DP arrangements often escape from the monitoring of observatories, just because their informal not collectively negotiated nature. From case studies and surveys, we know that there are more structured experiences, including the involvement of workers' representatives, and others weaker, individual, consultative and unilaterally sought by management. Today "the actors' goal should be to consolidate and spread the DP, with managers recognizing the workers' right to be involved in designing the new work organization. Unions and shop stewards, on their side, have to be prepared to assume the challenge of change, acquiring competences and skills to redefine their role in the industrial relations of the future".

Mario Sai, a former CGIL's national official and now director at the institute of research of the Chamber of Labour in Milan, has been studying for years the

impact of Toyotism on the culture and practices of Italian managers (2016; 2017). According to him, discourses on DP need to be framed into an historical perspective. Everything started with the change in the organizational paradigm, which took place since the late 1970s, when the old programs of the international labour movement on industrial democracy were learned and overthrown by the new managerial models imported from the East²⁹; from Japan, with the Toyota Production System (TPS). In Italy, this happened at Fiat in the late 1980s, when it failed the utopia of a fully automated production, with starting to recognize the centrality of human capital. Such a U-turn took first the form of the TQM; later on, of the WCM; the American version of the Toyotism which, according to Sai, has represented “the greatest organizational revolution after the Fordism”. The penetration of the TPS, in Italy, takes place through a massive use of consultants and academics, often Japanese, specialized in management education. The centrality of the factory, and the workers’ DP, are now the key factors for the success of the new approach. The objective, as well known, consists in continuous improvement; in *doing more with less*. Fighting waste means paying exactly for the added value produced; nothing more. This implies eliminating all the non added value activities, but also employing workers for what they need exactly according to market demand. Teamwork accomplishes unprecedented forms of cooperation, but also of conformism within it, and of competition with other teams, in the same environment. The team leader, normally decided by the company, plays a decisive role, which marginalizes both the old bosses and union delegates. The consequences, according to Sai, are of two types: 1) work tasks become much more dense, and therefore tiring from the point of view of overload and stress; 2) work is more and more precarious, as many workers will be outsourced and used flexibly. A polarization of the labor market, between insider and outsiders, which was in fact a characteristic of the Japanese model.

What to do, then? According to Sai, unions must be able to contend the management the ability to master the new production process and, with it, the working conditions. They’ve to come back to the work organization; to do again what in Italy they did quite well with the late Fordism: to “make inquiry”;

²⁹ “The Eastern Wind”, is the title of his last book on these issues; “Il vento dell’Est”, Ediesse, 2015

to constantly ask workers about their duties required, their discomfort, their needs for representation and protection. In doing so, unions must be able to have their own autonomous view and narrative about what is going on, without being subaltern to the dominant ones.

Also according to Gianni Alioti, National Official of the CISL metalworkers' federation (FIM), Toyotism (together with the diffusion of digital technologies) is for companies the main trigger for the adoption of forms of DP. The new models of lean production, to be effective, cannot be separated from direct involvement of workers in the definition and implementation of the company's production processes. But we must be aware that the majority of employers and managers prefers, still, to stick to hierarchical-functional structures, which generate a style of command for subordinate workers and obedience towards the leaders. There is a wide literature that demonstrates that in a hierarchical-authoritarian climate, still widely present in the Italian industrial system, neither innovation nor the DP of the workers necessary to overcome the challenges of productivity, quality, continuous improvement". We must be also aware that the new production systems linked to Toyotism have not substantially changed the pace on the assembly line. The work execution time remained very short and the work achieved a high standardization. On the other hand, organizational change has changed the decision-making process by moving it downwards, at the level of the workers. To the question: *"Do you consider the impact of DP to be positive for the unions?"* Alioti replies that DP often enters into conflict with the traditional system of industrial relations. A solution could be to move forward a dual channel of representation, with separating the bargaining role (unions representatives) from the participatory role (workers' representatives). Furthermore, it is necessary to introduce a legal framework which recognize the workers' rights to codetermination on working conditions and organization".

Paolo Terranova – national coordinator for Agenquadri, the association of the middle-executives and professional affiliated to the CGIL – "we've to face the real life". If we look at what happened in the last 20 years, "we see not only more DP and less hierarchy, but also new verticalization and bureaucratization. Employees from different sectors tell me of a substantial loss in their professional autonomy

and decision-making prerogatives. This is the case of the *quadres* in the bank or postal sector. In the past, they ruled meetings and briefings; now they feel reduced to just executing external orders. In spite of such a worsening, their responsibility, also from a legal point of view, is growing. In advanced services, this is largely due to the introduction of new technologies. They can improve workers participation, but also undermine it, with disrupting traditional work organization and employment relationships. Digital technologies are the new intermediaries either among workers or between workers and management. Algorithms and apps risk to killing informal processes, with less social capital, less human relations, less informal participation. What to do? From the workers' point of view, Terranova suggests the unions to build their own perspective, in full autonomy, free from rhetoric and aware of the risks. For the quality of working conditions and for the industrial relations.

The ambivalences of the digitalization was also highlighted by Daniele Di Nunzio, expert in work organization for the FDV. Skills and competences are certainly developed with an unprecedented emphasis on knowledge, learning by doing, continuous training; problem setting and solving capabilities. All promising things, with a dark side, in terms of work intensity, pressure for goals, continuous working processes - 24h working days, required availability, blurring separation between work and private/family life. On the same topic, Gianni Alioti says: "The growth of digitalization can have potential positive effects on the workers participation, both in its direct and in representative forms. The amount of data and information available, the speed of their circulation, the ease of access and collection, seem to be incompatible with the hierarchical-bureaucratic decision-making processes still prevalent in the companies, and with the procedures, the rites, the operating times of the relationships industrial and traditional organization of involvement through and joint bodies and committees". A cultural and organizational change of the industrial relations actors, especially the trade unions, is indispensable.

7. Conclusion

The radical changes that have affected the modes of production over the

last two decades - in the name of post-Fordism and continuous improvement - have opened up ample space in the search for new forms of involvement of workers in the organization of work, both indirect and direct, both collective and individual, both deliberative and consultative. There is a clear link between the new work organization paradigms – based on the principles of self-activation, pro-active cooperation, direct participation – and the new achieved patterns of the industrial relations. As production and work organization continue to evolve in this direction, industrial relations systems cannot remain the same.

From the our study some questions emerge, as well as the first interpretative hypotheses, fruit of the investigations carried out. Among the first, and most significant, there is the one related to the real diffusion of direct participation, to the main forms with which it today manifests itself, to the negotiating nature or otherwise with which it is implemented in the workplace. Questions that refer, more in depth, to the meaning of these changes. In other words, if a new season is arising from them: a) for the quality of work, widely marked by an ideational enrichment at the discretion of the people who are called to do it; b) for the industrial relations, more based on authentic collaboration, in which workers can exert greater influence in the various decision-making levels in which their conditions are decided.

On each of these points we can clearly see unprecedented opportunities, of which growing areas of industrial production and services - through a management strongly committed to refound the socio-technical paradigm - seem to be progressively appropriating. Quality management and continuous improvement processes can represent key areas of participation and codetermination for companies' future viability.

In Italy we have a number of positive examples of good cooperation to improve the decision-making and change, contributing to the good of the company and workers. They must be extended and promoted. In the cases we consider best, there has been a certain negotiation with the unions in the sharing of the pathways. Forms of direct participation in the operational management of change, duly framed and guaranteed within the frameworks and purposes set by

indirect representation and collective bargaining. Their diffusion is influenced by factors that are internal to the workplace (corporate strategies and cultures, managerial styles, inclinations and expectations of employees) and external factors (regulatory framework, sector characteristics, type of competition). The initiative start almost everywhere from the management, conditioning – for this fact only – a significant part of the program undertaken, of its implementation.

In our survey and case studies, we have seen remarkable differences between two “flagship” sectors, respectively in industrial manufacturing and in the advanced tertiary sector: the metalworking and banking sectors. In these two realities, the assumption of DP reveals different approaches and degrees of acceptance, both on the managerial and on the trade unions, diffusion of practices. In both sectors, traditional industrial relations, mostly based on indirect forms of representation and participation, are some of the stronger in the country's scenario. But due to the different sector characteristics, type of competitions, levels of unionization, the DP appears embedded and better established in a growing number of cases in the metal, rather than in the banking sector, where is residual to the indirect participation and more limited to the smart working. In the banking sector, where unionization is particularly high and in some groups can even approach 80%, the confrontation is almost exclusively based on the indirect participation of very formalized and operative joint committees and funds. No big differences were found among the unions, which traditionally act in good synergy. Very different the picture in the metalworking sector, where human relations and direct participation pretend to be the pillars of a strategy for the substantial transformation of individual and collective labor relations. At the same time, the differences in orientation among the major trade union federations are more acute here than elsewhere. With the FIM-CISL sharing with the employers' the view about a need for deep cultural change and collaborative industrial relations, and FIOM-CGIL very critical to what is considered a rhetoric dissimulation of a new asymmetry in labor-capital relationship.

Generally speaking, beside opportunities, criticisms and negative aspects are various and substantial. A basic assumption, in our view, is that there is not a single trend towards which work relationships evolve, and certainly - if there

was one - it would be to widen the discretionary spaces of companies (Baccaro and Howell, 2017), rather than that of a generalized enrichment of work. Unemployment and its perennial risk, the precarious employment, the lowering of rights and wages, in fact appear to be the most characteristic feature of this phase, and presumably of what awaits us already. The introduction of robotics on the one hand and digitization on the other, disclose scenarios that are differently esteemed but so far so highly worrying. "More democracy at work – we can read on a recent ETUC Resolution – can and must be linked to the narrative of the left behind".

Nowadays, labour market is more and more polarized between a minority of very high-skilled workers and involved in DP on one side, and a large group of low-skilled and insecure workers on the other, excluded or emarginated to second-class rights. Traditional lines of demarcation between dependent and independent work fade away, with workers having sometime the worst of both: job and pay insecurity and substantial subordination.

Higher employee autonomy and involvement at work often go hand in hand with a more stressful intensification of tasks and psycho-physical overstrain.

Automation and digital penetration pose unprecedented questions concerning performance and behavioural controls by means of software. Algorithms and apps on smartphones are becoming more and more the new employers and executive managers, in personnel planning and establishing unilaterally the workload and times. In certain jobs we're facing what can be called "digital Taylorism".

A big challenge for the privacy protection of the employees, with the unions required to give new answers in terms of representation and protection. Mobile device management make it possible to centrally manage and monitor workers from remote.

Repercussions on industrial relations are also worrying, with the risk of a growing dis-intermediation of interest, de-solidarization and individualization in employment relationships more and more unbalanced in favour of the business.

In all this, the union tries to set up banks. It senses the potentially disruptive

nature of these transformations. Of a command that may seem to liquefy - in the technical modalities, certainly not in the substantial ones - up to the extreme forms of the algorithm. And it rightly prepares to be able to bargain, as once already did, in the face of the dreaded working times and methods offices. It observes, concerned, its constituency tearing and gaping between professional and super-precarious, the embodiment of a new world of labor little or not at all susceptible - objectively and / or subjectively - to being represented in traditional ways, in the workplace and the industry branch. So it invests on continuous training and individual services, on bargaining and participation in all its forms. "Let's negotiate the algorithms" was the slogan of CGIL at its Programme Conference in March 2018, but it is something to be invented yet, requiring a lot of research and training before, which in fact are on the top of the agenda of the Italian unions. They know to be not enabled today to contest the right and power of companies to reorganize themselves according to the socio-technical structures considered to be more performing. So they just can try to exert an influence, according to an exchange in which the acceptance of the corporate objectives - first of all productivity and competitiveness - can be reflected in a greater participation in all possible decision-making spheres. Since on the strategic one it is difficult to imagine big and close successes, given the firmness of the companies in terms of exclusivity of governance, all that remains is to be involved in the only real terrain on which it is in the interest of both to agree: the organizational participation. The hope, and the challenge, is that the companies - strong of a power that they did not find themselves since time immemorial - do not choose to do themselves. Looking for directly with the workers, without the trappings of mediation and trade union negotiations, a relationship whose imbalance is right to predict the most complete and definitive success. On this ground will be played, in fact it is already a long time playing, the game on the future of work and the unions in the twenty-first century.

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