

**The Development of Direct Employee Participation and its Impact on  
Industrial Relations at Company Level (DIRECT)**

# **Direct participation: some premises**

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# New forms of work organization and role of the workers' involvement

**Toyotism and World Class Manufacturing (WCM):** an integrated system for the excellence of the entire logistics-manufacturing cycle of manufacturing (Schonberger), which intersects management style and HRM, industrial relations, work organization, ergonomics

- **Objective:** Continuous improvement of all performances; lean production, total quality, just in time: "zero defects, zero stocks, zero waste, zero failures, zero conflicts"
- **Tools:** Involving all levels of business functions and full workers self-activation and mobilization, well-being at work, performance-related pay, contractual flexibility, individual and collective direct participation (team-work, team-leader, suggestion, audit)

Training and skills are crucial ingredients; not only for operational tasks but also in terms of mentality, "ideology" at work

**The link between the degree of development of the forces of production and the production relationships and rules:  
the changes in the former are reflected into the latter**

# Conceptualizing participation

## Economic Democracy (distribution)

### Macro

- Nationalization
- Public companies
- Economic Planning
- Structural Reforms
- Fiscal Policy

### Micro

- Self-management
- Cooperation
- Unions/Collective investment funds
- Financial: profit-sharing; employee share ownership plans (ESOP)

## Industrial Democracy (decision)

### Corporate (Participation)

- board-level (BLER)

### *Indirect (representative)*

- information
- consultation
- co-determination

### *Direct*

- Collective
- Individual
- Delegative
- Consultative

# Varieties and dimensions of workplace participation

**Objective:** to balance the original and unilateral management power

**Ambit:** production-related decision-making

**Formalization:** ex lege; ex contractu; no formalization

**Level:** individual, team, firm, company, corporate, sector

**Moment:** problem solving, problem setting

**Decision class:** operational, organizational, strategic

**Actors:** team work, work council, trade union body, EWC

**Means:** information, consultation, delegation, codetermination

# Direct participation

- *“Opportunities provided by management, or initiatives to which they lend their support at the workplace level, for consultation with and/or delegation of responsibilities and authority for decision-making to their subordinates either as individuals or as a group of employees, relating to the immediate work task, work organisation and/or working conditions” (Eurofound)*
- **Competence, autonomy, responsibility, informality (dis-intermediation?)** Non-bureaucratic job design practices; partial withdrawal of managerial control and more indirect supervision; more discretion and operational autonomy for employees, problem solving teams in on-line and off-line issues; collaborative work with greater communication, vertical and horizontal, building trust and mutual commitment; informality. Well being at work; social climate

## INDIVIDUAL

- face-to-face interactions between the first line managers and their staff,
- individually focused consultation (verbal communication, workers' surveys),
- Toolbox meeting and briefings
- Suggestions boxes and schemes

## COLLECTIVE

- Temporary or permanent work groups, quality circles, autonomous or semi-autonomous team-work
- "Scandinavian" style: semi-autonomous work groups; voluntary membership, team leader and members selected from below by the workers' group; more complex tasks; rotation, productions islands;
  - "Japanese" style (Toyota model) characterized by compulsory membership, more limited control and less autonomy, team leader and composition decided from the top management, simple and focused mission.

## CONSULTIVE

- Regular review meetings between employees and immediate management on organizational or performance issues
- Employee attitude surveys
- Other internal arrangements that allow for employees to express their views, such as through social media, on-line discussion boards, company newsletters, notice boards, briefing groups, etc.

## DELEGATIVE

- Work group delegation; autonomy and higher discretion over work tasks ; employees are empowered to undertake their work tasks, without constant manager supervision.
- Teamwork: employees are given a larger degree of the operational autonomy – on-line and off-line – to carry out their common work tasks without reference back to management
- The 'production isles';

# Collective DP: the team working

## Consultative

- It strengthens the communication and collective autonomy at work
- horizontal and non-hierarchical practices of sharing knowledge and skills to face and solve problems
- widespread in the small knowledge intensive start-up enterprises

## Delegative

It defines functions, tasks, productive goals.

- a) Bilateral, through firm-level collective agreements:
- b) Unilateral, without firm-level collective agreements

# Changes at work and DP: debates and assumptions

## The optimists

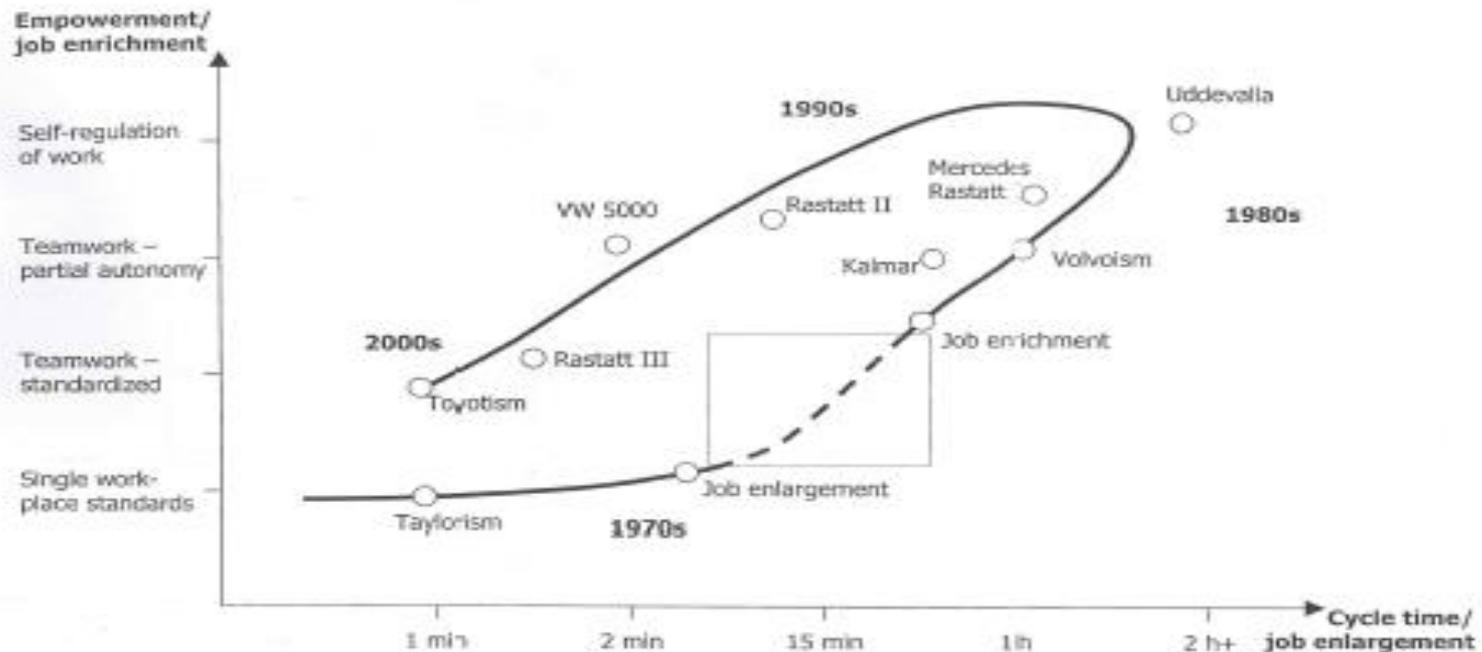
Mostly managerial (but not only), emphasizing workers enrichment and empowerment, greater job and satisfaction, social-psychological health, higher autonomy over tasks, self-directed operational outcomes, where workers can develop, share and apply their knowledge; **in sharp discontinuity with the past**

## The pessimists

Mostly scholars sympathetic with the labour movement, emphasizing intensification of work process, more workload; self-exploitation. Autonomy paid at a high price, in pressure and stress. The total value-based normative integration and identification of work into the capital culture and firm's goals, **in substantial and more powerful continuity with Taylor-Fordism.**

# Work organization in the car assembly

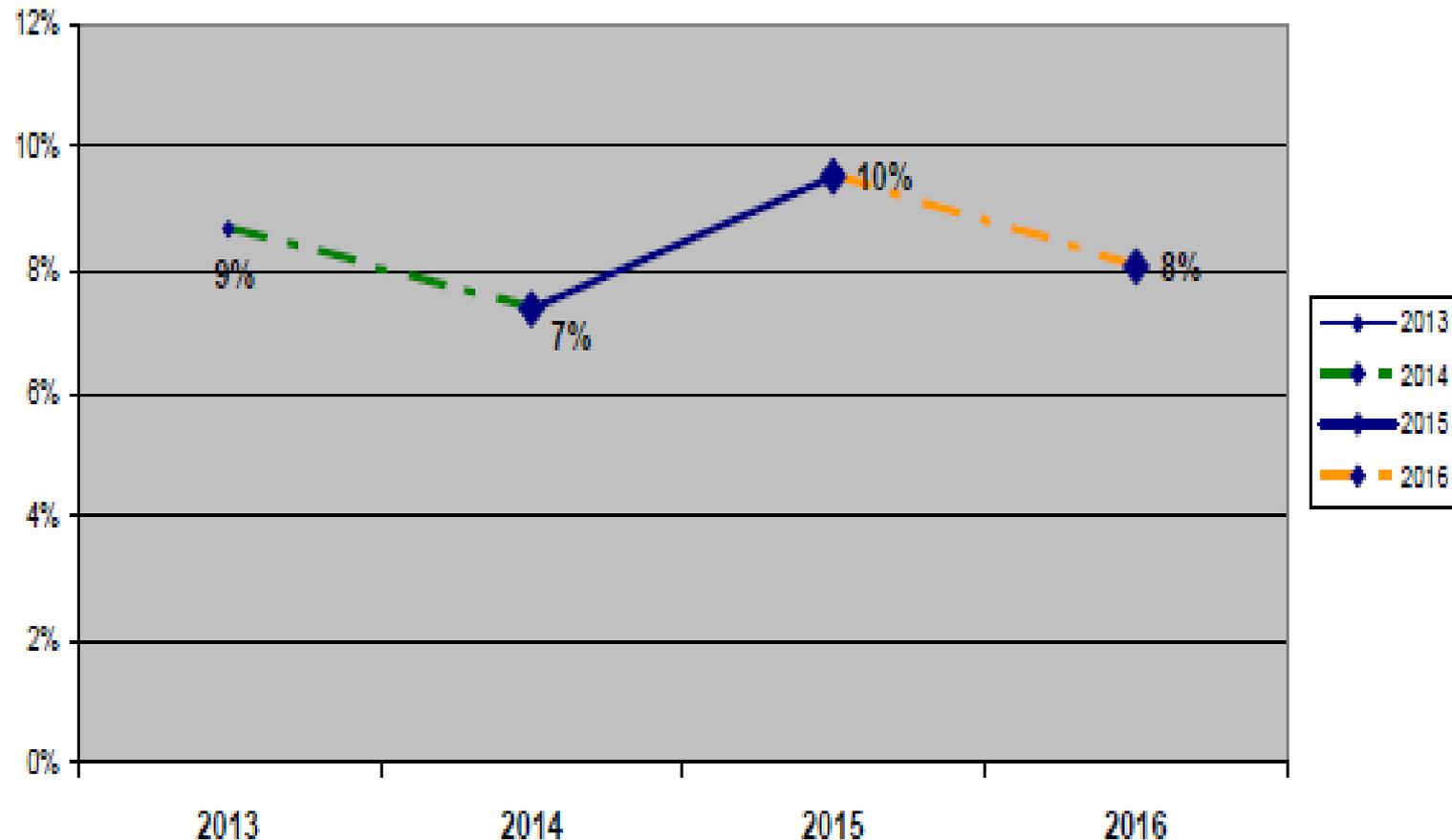
## The European U-Turn: History of Work Organization in the Car Assembly



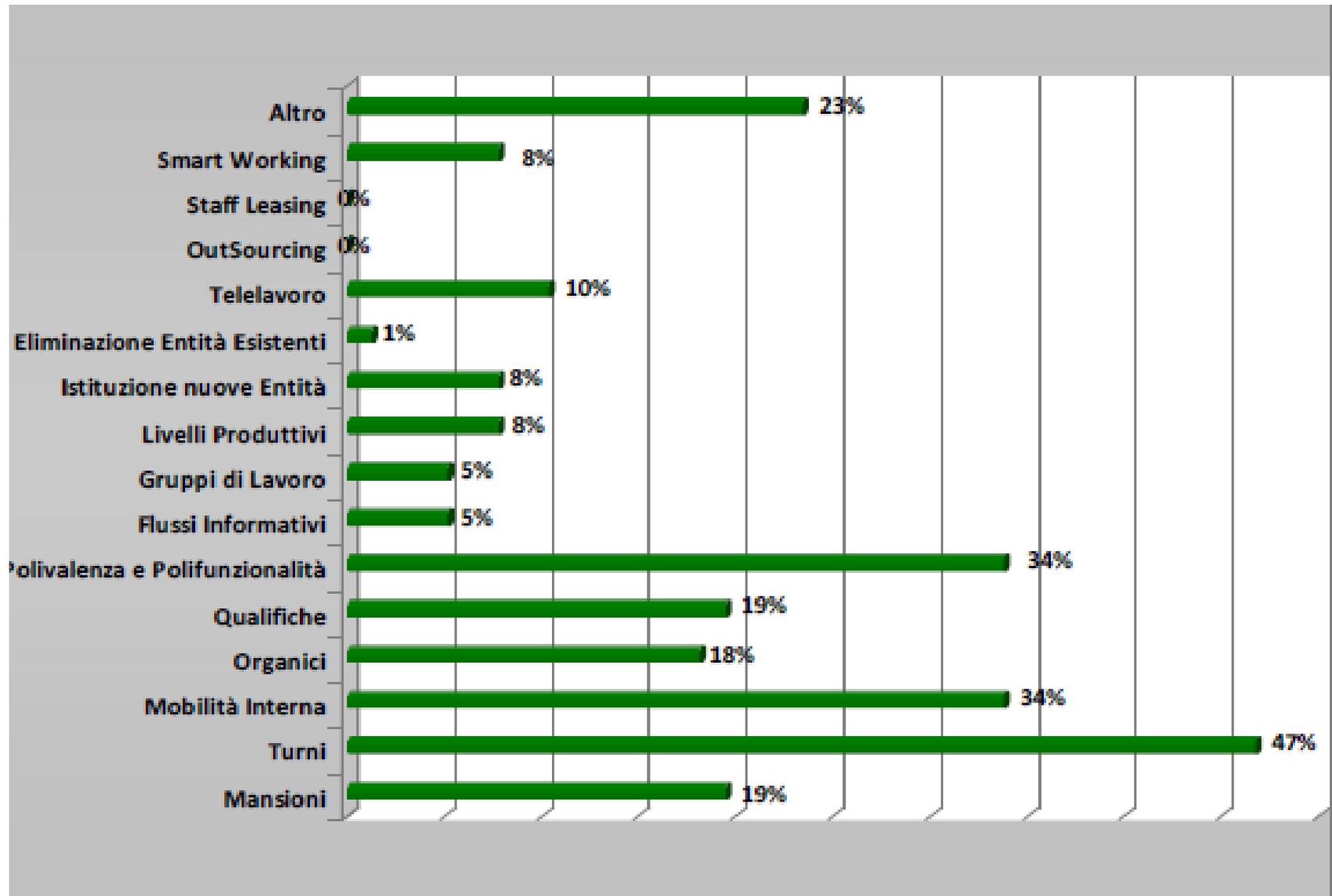
# The Italian way to workers' participation

- participation is primarily indirect and representative
- key role played by the collective bargaining, true pillar of the whole industrial relations system;
- lack of either board-level employee representation and financial participation
- the increasing role played by the new forms of work organization, with a strong managerial emphasis on the issues of workers individual and collective activation and participation , through different forms of informal and team work

# Work organization in a sample of company level agreements in Italy



# Most treated issues



# The social partners view on DP

## The managers

It improves the organizational behavior and outcomes in terms of efficiency, productivity and added economic value, with enhancing:

- increase staff motivation; workers' commitment to produce more and better; reducing absenteeism, grievances, accidents
- a more precise identification and reduction of wastage of materials and human resources (worked hours, energy, breakdowns, quality defects, etc.);
- a more efficient management of technologies, production flows and the man / machine relationship;
- a faster implementation of new organizational models and new technologies

## The trade unions

- Different ideological and historical backgrounds, among the organizations (FIM and CISL more dispositive; FIOM and CGIL careful to the “dark side” of DP)
- DP a good thing if involving shop stewards and works councils;
- Very risky if used to elude or marginalize them, as when the team leader takes the place of the shop stewards as the direct medium between management and on-line workers (dis-intermediation)

# Issues for our discussion

- Is work really evolving towards a widespread enrichment? How many employees can be said to be really involved into new empowering forms of work organization and DP? Aren't we likely coping with a deep polarization into the LM and working conditions?
- DP: a collectively agreed change in work organization or just a unilateral HRM tool and strategy? Complementary or alternative to indirect/representative participation?
- Is it a really win-win perspective, between management and employees? Or just the last, and more sophisticated step through which integrally mobilize and valorize the human factor?

## *.. follows*

- Which risks in terms of dis-intermediation, de-collectivization and individualization of employment relationships? Is there any link between DP and corporatization of industrial relations and ongoing pushes for dis-organized collective bargaining?
- Can we ignore that such a changes are going hand-in-hand with a powerful process of casualization of the work contracts and employment relationships? Is involvement compatible with a growing detrimental of labor?
- What's the meaning of DP in times of digitalization and industry 4.0; of huberization and Gig economy; but also of co-working and sharing economy? How the labour-management are developing and challenging the issues of employee autonomy and participation?