

**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

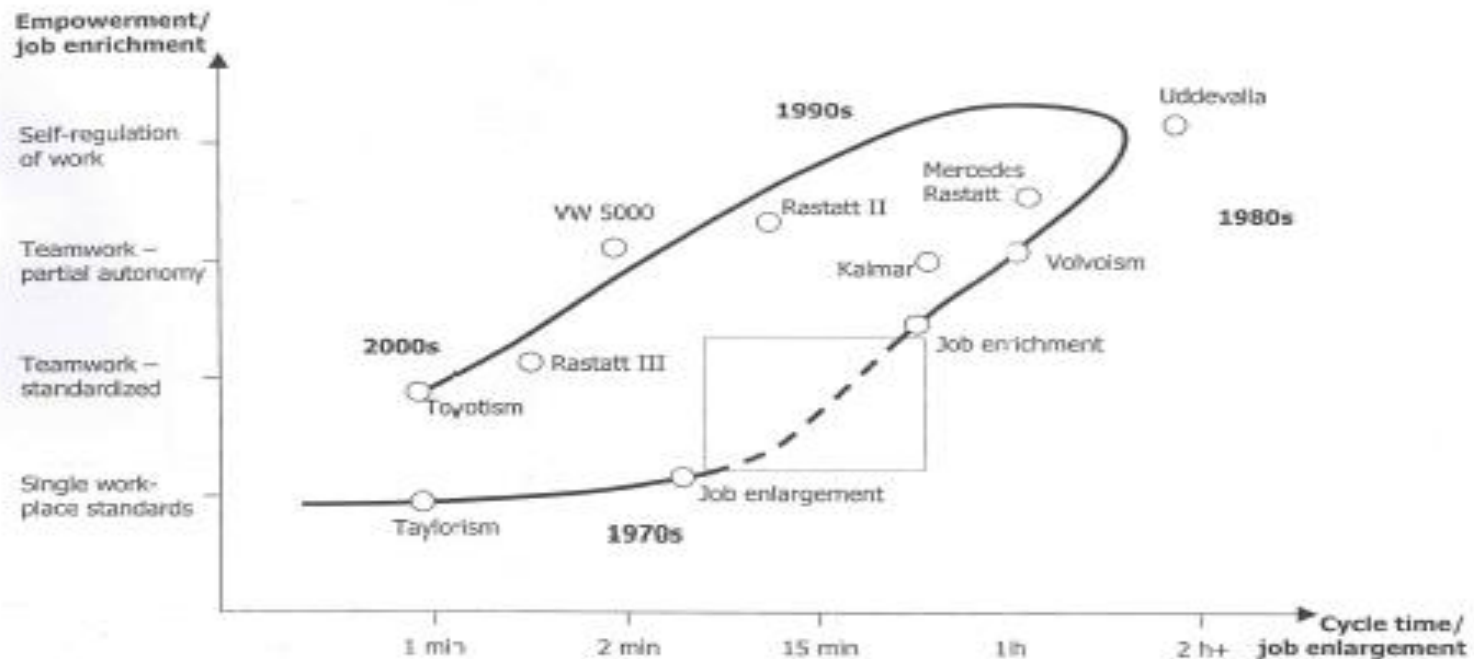
Mostly managerial (but not only), emphasizing workers enrichment and empowerment, greater job and satisfaction, social-psychological health, higher autonomy over tasks, self-directed operational outcomes, where workers can develop, share and apply their knowledge; **in sharp discontinuity with the past**

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

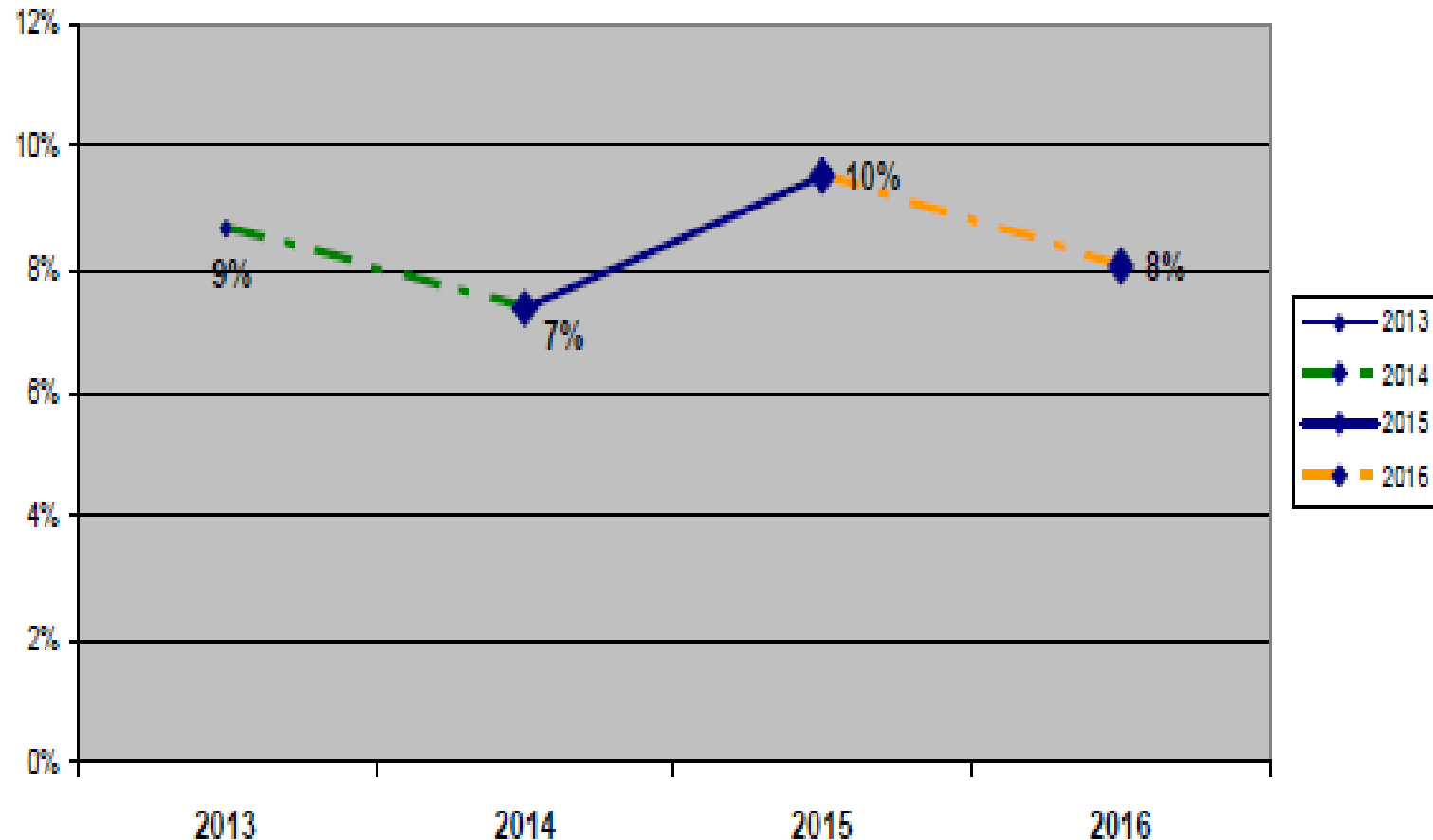
The European U-Turn: History of Work Organization in the Car Assembly



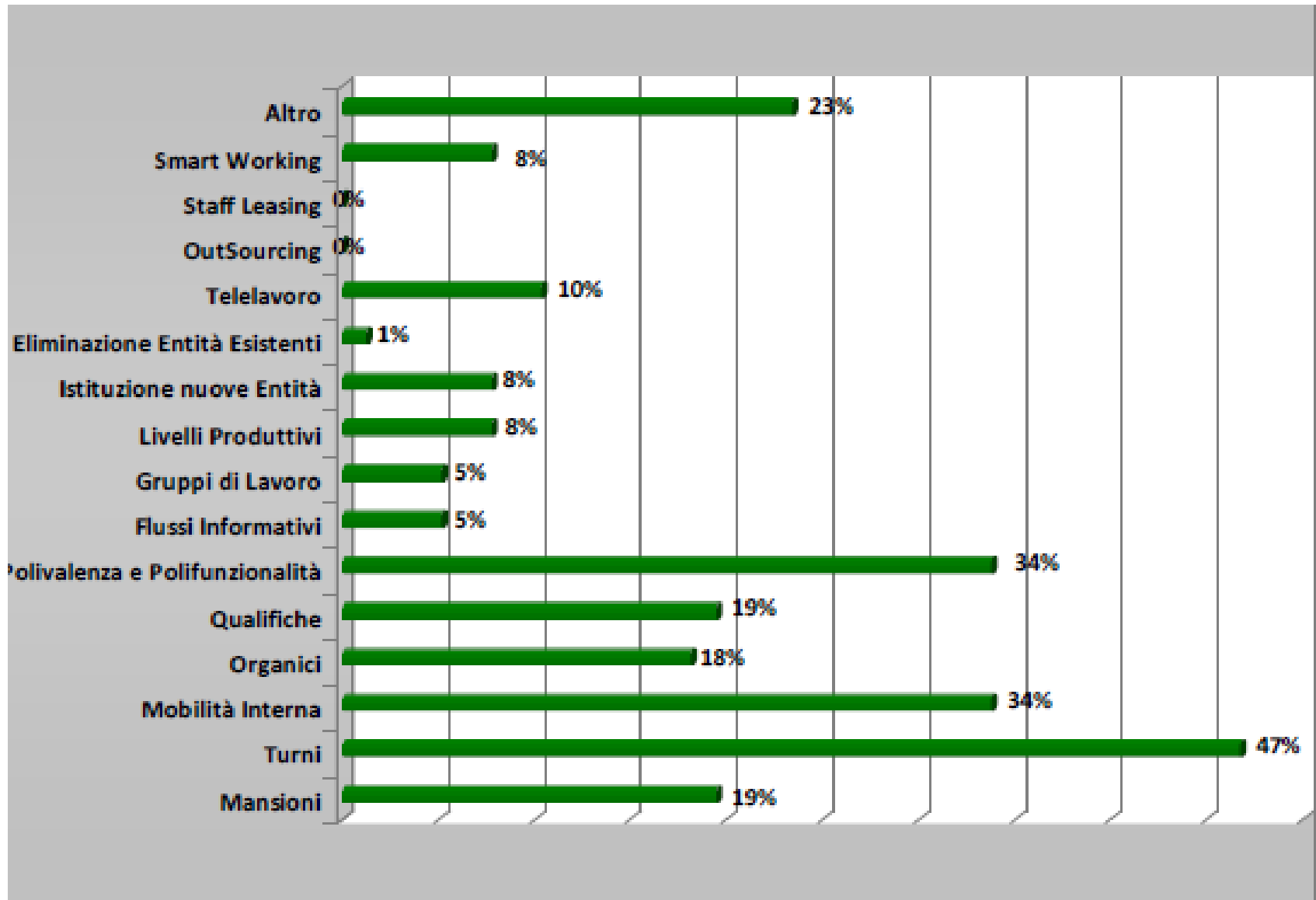
The Italian way to workers' participation

- 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?