



European DIRECT Project

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2017-2018
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SIX PARTNER EU MEMBER STATES

➤ BULGARIA

- **Confederation of Independent Trade Unions (CITUB)**
- **Bulgarian Industrial Association (BIA)**



**BULGARIAN
INDUSTRIAL
ASSOCIATION**

Union of the Bulgarian Business

SIX PARTNER EU MEMBER STATES

- **CYPRUS** **Cyprus Workers Confederation (SEK)**
- **ITALY** **Fondazione Guiseppe di Vittorio (FDV) [CGIL]**
- **POLAND** **Economic University, Warsaw (SGH)**



SGH

SIX PARTNER EU MEMBER STATES

➤ **UK** **Royal Holloway and Bedford Collage, University of London**



➤ **IRELAND** **IDEAS Institute**



European Foundation for the Improvement of Living and
Working Conditions (EUROFOUND)

Employee direct **P**articipation in **O**rganisational **C**hange –
EPOC Project (1993-2000)

***Opportunities provided by management, or
initiatives to which they lend their support to 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***

EPOC Definition

Consultative

Management put in place systems for employees to give their views on work-related issues, but management continue to have the right to decision-making

Delegative

Management give employees greater discretion and responsibility to organise and undertake their work tasks without reference back to management

Forms of Direct Participation - Individual

Consultative

- **‘Face-to-face’:** Regular review meetings between an employee and her/his immediate manager
- **‘Arms-length’:**
 - Employee attitude surveys
 - Suggestions schemes
 - Other internal arrangements that allow for employees to express their views, such as through social media, on-line discussion boards, company newsletters, notice boards, etc.

Delegative

Individual employees have the right and responsibility to undertake their work tasks without constant reference back to his/her manager

Forms of Direct Participation - Group

Consultative

Temporary or *ad hoc* groups of employees who meet for a specific purpose for a limited period of time – such as project groups or task forces

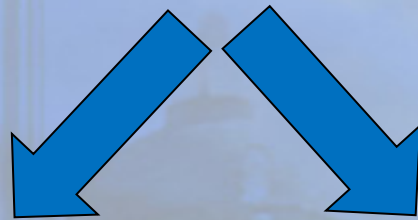
Permanent groups, such as weekly/monthly meetings of a work team to deal with ongoing work related issues, for example, quality circles

Delegative

Rights and responsibilities are given to a group or team of employees to carry out their common work tasks without reference back to management – also called ***Group Work***

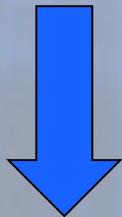
EPOC Definition

CONSULTATIVE



INDIVIDUAL

GROUP



*** FACE-TO-FACE * TEMPORARY**
*** ARMS LENGTH * PERMANENT**

DELEGATIVE



INDIVIDUAL

GROUP

DIRECT Project (2017-2018)

- **Used the EPOC Definition**
- **Methodology: Three Stages:**
 - a) **‘Desk’ research**
 - b) **Semi-structured interviews**
 - c) **2 case studies in each country**
- **Sectors:**
 - Service / Public Sector**
 - Manufacturing (food and beverage)**

DIRECT PROJECT 2017-2018

➤ Project events

- Three European seminars**
 - London**
 - Rome**
 - Nicosia**
- Six national seminars (in each partner country)**
- Meetings of Steering Committee**
- Final project conference – Sofia, November 2018**

DIRECT PROJECT 2017-2018

➤ **Project events**

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 - **London**
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DIRECT Project (2017-2018)

- ❖ **Joint Irish (IDEAS Institute) / UK (RHUL) Seminar, Belfast, March 2018**
 - **Range of speakers from both UK and IE**
 - **Presentations included contributions from:**
 - **Gerry McCormack, SIPTU**
 - **Tony Murphy, IDEAS Institute**
 - **Patrick Briône, Involvement and Participation Association (UK)**
 - **Peter Totterdill, UK Work Organisation Network**
 - **Case study - Kirchhoff Automotive Ireland, Letterkenny**



DIRECT Project (2017-2018)

SOME COUNTRY RESULTS

DIRECT Project - BULGARIA

- **Many forms of DP under former planned economy**
- **After 1989 DP reduced and neglected – new ‘aggressive’ management styles**
- **Joined EU in 2007 resulted in the introduction of**
 - **New HR strategies and practices on the involvement of employees (also transposition of EU legislation)**
 - **New market economic challenges for micro-firms & SMEs**
 - **Many MNCs subsidiaries apply DP**
- **TU density has declined to 18% - 20%**
- **Collective bargaining coverage estimated at 27%**

DIRECT Project - Bulgaria

Three Case studies:

❖ Carlsberg

- **Both *individual* and *work group* DP used**
- **TUs informed and consulted on implementation of DP**

❖ Coca Cola Hellenic Bottling Co (CC-HBC)

- **2005 Transnational Collective Agreement with IUF covering**
 - **Right to union recognition**
 - **Collective bargaining (Agreement in BL since 2015)**
 - **Prevention of discrimination**
 - **Lean production**
- **Individual consultative DP dominates**

DIRECT Project - Bulgaria

❖ Sofia Airport

- **2100 employees – 55% unionised**
- **Information and consultation through the trade unions**
- **‘Town Hall’ meetings lead by CEO**
- **DP mainly *consultative***
 - **Meetings with line managers**
 - **Attitude surveys**
- **Group consultation on technical issues
e.g. introduction of new technologies**
- **Some delegation to work groups
e.g. distribution of tasks; work scheduling; quality**

DIRECT PROJECT - CYPRUS

➤ **SEK (Cyprus Workers' Confederation)**

- **Very positive about DP**
- **60% of workforce unionised; 61% covered by collective agreements**
- **SEK supporting**
 - **Works Councils in local authorities**
 - **Employee board-level representation (EBLR) in banking sector**

DIRECT PROJECT - CYPRUS

Two Case studies:

❖ Christis-Charalambides (CC) Dairies

- Regular manager/work group meetings, performance reviews and training**
- Suggestion schemes**
- Employee input on quality; customer relations; Health and Safety**
- Work teams decided by management; meet on a 'needs' basis**

DIRECT PROJECT - CYPRUS

Cyprus Telecommunications Authority (CYTA)

- **Consultation through**
 - ❑ **Regular performance meetings**
 - ❑ **Attitudes surveys**
 - ❑ **Regular meetings of work groups and quality circles**
 - ❑ **Temporary groups dealing with specific issues such as –**
 - **Organisation of work; Training and development**
 - **Product / service quality and customer relations**
 - **New ICT**
- **Delegation of decision-making to individual and work groups on technical issues and quality**

DIRECT PROJECT - ITALY

- ❖ **Three major trade union confederations divided along ideological lines (5 smaller independent trade unions)**
- ❖ **Trade unions are the key representation channel in enterprises**
- ❖ **TU density 33%-35%**
- ❖ **Two-tier collective bargaining: at firm and sectoral levels, with a coverage of 80%-90%**

DIRECT PROJECT - ITALY

- ❑ Participation is primarily indirect and representative
- ❑ Key role played by collective bargaining is:
 - *the main pillar of the whole industrial relations system*
- ❑ Very little of either EBLR or financial participation
- ❑ There is an increasing role played by new forms of work organisation, with a strong managerial emphasis on the issues of workers individual and collective participation, through different forms of team work

DIRECT PROJECT - ITALY

□ Italian trade unions' views of DP:

- ❖ Different ideological and historical backgrounds, among the organisations - CISL and UIL more open to DP

- ❖ CGIL is more concerned about the dark side of DP:

DP is OK so long as it involves trade unions, shop stewards and works councils

DP is seen as a risk if it is used to marginalise trade unions' role in enterprises: i.e. if a *team leader* takes the place of the *shop stewards* as the direct intermediary between management and line workers

DIRECT PROJECT - ITALY

Inter-trade union *Protocol* agreed by CGIL, CISL, UIL
(14 Jan. 2016)

A modern system of industrial relations

➤ It focused on three main pillars:

- **Collective bargaining**
- **Representation through trade unions**
- **Participation:**
 - **Corporate governance (EBLR)**
 - **Financial (ESOP)**
 - **Organisational (DP):**

DIRECT PROJECT - ITALY

Two Case Studies:

- **Fiat-Chrysler Automotive**
 - **World Class Manufacturing (WCM) in all company sites**
 - **DP is seen as a pillar of WCM through small work teams on assembly lines – suggestion schemes; continuous improvement approach**
- **Intesa Sanpaolo Bank**
 - **2014 agreement on employee share-ownership plan**
 - **2015 agreement on smart working; flexible working; home working - $\frac{1}{3}$ of staff (8000) participating in various schemes**

DIRECT PROJECT - POLAND

- ❑ DP or any other form of employee involvement is not on the agenda of trade unions – workers don't have any role in decision-making**
- ❑ Low TU density (10% in 2013 (approx.))**
- ❑ Low collective bargaining coverage (14-18%)**

Low unemployment levels is putting pressure on the labour market which is experiencing labour shortages

DIRECT PROJECT - POLAND

- Case study in banking sector (BZ-WBK):**
 - 65% unionised (compared to 10% nationally)**
 - Nine trade unions – intense inter-union rivalry and competition for members**
 - EWC in place (national WC seen as very weak)**
 - Older (mostly) permanent workforce – holds 15% of bank shares**
 - No collective agreement**

DIRECT PROJECT - POLAND

- ❖ **DP is seen by trade unions as a management process**
 - **Trade unions are not involved in application of DP and have little understanding of it**
 - **Their initial reaction is that it is seen as putting additional work pressure on staff**
 - **No group consultation in this bank**
- ❖ **Second case study in a family owned food distribution company**
 - **No DP; poor employee/management relations; low trust**
 - **Mainly Ukrainian workforce**

DIRECT PROJECT - UK

- **Workers are organised and collective bargaining is at company level**
- **Limited legislative interference in regulation of pay and working conditions**
- **Estimated TU density 25.6% - 14.4% in private sector and 55% in public sector (2013)**

DIRECT PROJECT - UK

□ Two case studies:

○ ***Toyota Motor Manufacturing UK***

- ❖ **3000 employees in two sites**
- ❖ **One trade union (UNITE) – 55% membership**
- ❖ **The *Toyota Way*:**
 - **Kaizen (continuous improvement)**
 - **Health and safety issues**
 - **Quality circles (meetings of work-teams)**
 - **Just-in-time inventories, etc.**

DIRECT PROJECT - UK

❑ Leeds Teaching Hospitals NHS Trust

- ❖ 17,000 employees – up to 100 new employees joining weekly
- ❖ 14 Employee Representative organisations
- ❖ *The Leeds Way:*
 - Adapted *Kaizen* to its needs
 - Townhall meetings with CEO and senior staff
 - Health and Safety meetings
 - Rapid improvement weeks
 - Recognising staff for ‘good ideas’, with a focus on reducing waste and not on cost-cutting
 - No staff cuts as a result of process

DIRECT PROJECT - UK

CASE STUDY COMPARISONS

The *Toyota Way*:

- **Greenfield sites**
- **Assembly-line production process**
- **Continuity of management**

The *Leeds Way*:

- **Brownfield site**
- **Complex range of services and staff**
- **Range of staff qualifications**
- **Dependent of senior staff (project 'champions') remaining in place?**

DIRECT PROJECT - IRELAND

- **The IDEAS Institute - the research and training wing of SIPTU was set up to facilitate change in enterprises through *genuine* employee involvement.**
- **SIPTU adopted a *Joint Policy Initiative* to implement work place innovation (November 2011)**
- **The Institute uses a joint trade union/management approach:**
 - **A joint steering committee is set up to oversee the process**
 - **Joint team training to develop the ‘vision for the future’**
 - **A joint steering group is responsible for monitoring progress and providing support.**

DIRECT PROJECT - IRELAND

Two case studies:

❑ Fleetwood paints

- Working with the IDEAS Institute a series of internal TU / Management groups were set up to agree a joint vision of the future direction for the company**
- Continuous improvement structures were set up, including DP arrangements, to carry the joint agreed vision forward**

DIRECT PROJECT - IRELAND

❑ Bord na Móna

- Long tradition of consultative DP – annual employee surveys; regular meetings with local management; local teams set up under Performance Related Pay (PRP) agreement**
- Strong inter-TU co-operation**
- Role of Worker Directors**
- BnaM struggling with day-to-day implementation!!**
- Process frustrated by well-established, traditional hierarchical decision-making**

DIRECT PROJECT - IRELAND

- ❖ **The IDEAS Institute is working with fourteen enterprises at present and these very often result from local SIPTU officials alerting the Institute to problems in a company**
- ❖ **The Institute's philosophy is designed to:**

Build TRUST and UNLOCK the CREATIVE POTENTIAL within the ENTIRE WORKFORCE!

Comparative Findings

- 1. With some differences in the detail, most trade union and employer organisations recognise DP as having a useful role in the organisation of work and in good employment relations**
- 2. National social partners see DP as supportive of:**
 - i. Increasing productivity**
 - ii. Improved competitiveness**
 - iii. Improved staff motivation**
 - iv. Greater workplace democracy**

Comparative Findings

3. DP dependent on:

- i. Particular forms of work organisation and technology**
- ii. A joint commitment to workplace innovation**
- iii. Management styles**
- iv. Corporate culture**
- v. Level of trust between management, trade unions and the workforce**
- vi. Social dialogue and good employment relations**

The Six EU Member States

A Rough Synopsis:

- ❖ **Bulgaria and Poland** – still in the process of transition from the old planned economies, with DP making a come-back. Influence of FDI MNCs on management styles
- ❖ **Italy and UK** – traditional adversarial / hierarchical industrial relations, based on collective bargaining. DP not considered a key part of this employment relationship
- ❖ **Cyprus and Ireland** – social partners' support for the implementation of DP



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