

DIRECT 2

**The case studies of Direct Participation in Italy:
ASPI and Electrolux**

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Ricercatore in relazioni industriali - FDV

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Two case studies in progress

1. Highways for Italy (ASPI - *Autostrade per l'Italia*)

Infrastructures & Mobility (Services)

5 Interviews: (all face-to-face)

- Nat. Secr. FILT-CGIL),
- Dipart. Nat. Mobility FILT-CGIL,
- Nat. Resp. & Rep, FIT-CISL ASPI),
- Nat. Resp. I.R & HRM ASPI, scheduled the 5 October

2. Electrolux

Houseold Appliances (Manufacturing)

- 3 interviews via e-mail with 2 wp reps and 1 T.U. official; two still pending with 1 Nat. and 1 Reg. official
- 1 National workshop scheduled in Milan for mid-November: ***The challenge of direct participation for new industrial relations at the time of digitization: the case of Electrolux***

The Case of ASPI

ASPI is an Italian joint-stock company and one of the major European concessionaires for the construction and management of toll highways and related maintenance.

Once public, then privatized, now again public after the disaster of the collapse of a bridge in Genova 2018, with 48 dead. In March 2022, ASPI will join the Holding Reti Autostradali, which will own 88% of the share capital, and which refers to the State (51.0%), Blackstone Infrastructure Partners (24, 5%) and Macquarie Asset Management (24.5%).

With the new Industrial Plan, aims to be a leader in integrated and eco-sustainable mobility services.

5.000 employees. Still a quite high rate of unionization (around 65%), though declining, as the old core of membership – the motorway toll booth - is more and more replaced by generational turn-over and cash automation

The industrial relations system

- Two CB levels: a) National industry-wide, b) Corporate level, sub-articulated in territorial production units.
- A "strategic centrality" of a renewed I.R. and "enhancement and motivation of human resources"
- I&C rights on projects about technological and organizational changes. In the case of introduction of new technologies, the company will give "specific prior notice" to the union reps
- "Joint corporate observatory" in charge of monitoring training projects aimed at professional conversion and retraining, with particular reference to the evolution of technologies and interventions aimed at promoting "cultural change" and "adaptation to levels of professionalism consistent with the organizational and technological evolution of the company "
- The deep restructuring of recent years, with wider forms of automation and digitization, has had limited occupational impact, through negotiated staff relocation and blocking the turn-over of those who retired. No collective dismissals

Dp at ASPI

- A review of the HRM, aiming at empowering the spirit of individual initiative and interdependence of the team work.
- The “Give Worth” Project; a **focus group** of 200 people, supported by external experts and consultants, and a survey with over 1000 employees involved with questionnaire on organizational change.
- **Teamworking**: widespread especially in the higher branches of the company organization; especially those involved in computer and engineering design. *Autostrade Tech* is the most interested branch to date (*to be deepened in the forthcoming interview with the management*).
- The **Digital Transformation Team** has carried out several assessments to draw a mapping on current processes and define areas of intervention and improvement.
- Project “Motorway Together”. **Audits** with employees to investigate problems and needs to support people in work from remote, during the pandemic crisis and lockdown (psychologists; home entertainment; free vaccination)

New technologies and digitization

- Over the last 15 years, the main technological innovation with a strong impact on **jobs and work organization**, has been the replacement of the old counters of motorway tolls through automatic cash machines, telepass, cards and other forms of payment.
- The control of any malfunctions, at the counters, will increasingly be exercised remotely, by a relatively centralized number of surveillance centers.
- **Digitization** is one of the guidelines of the 2023 *Strategic Transformation Plan*. With the “*Digital Transformation. Let's make way for the future*”, the company aims in 5 years to reach a digital maturity in all sectors of the company's activity. The overall investment for the new system will be over 60 million euros.
- The creation of an IBM **Artificial Intelligence platform**, which will allow the monitoring of 4,500 works on motorway network, through the use of drones equipped with an automatic flight plan, topographic laser-scanners and very high resolution cameras. The **Internet of Things (IoT)** and **3D digital modeling** will also be used; radiographs of the concrete and material to prevent any possible deterioration and risks of collapses.

The impact on employment relationships

- Rejuvenation through a generational and professional turn-over, with incentives for earlier retirements, tasks relocations and upskilling training, hiring of over 2,900 engineers, technicians and researchers in the next 3 years.
- To increasing the skills of human resources (upskilling) and develop skills by covering new roles (reskilling), also through the use of forms of **job rotation**.
- All workers are encouraged to make increasingly greater use of the digital tools made available by the company. According to the collective agreement of April 2021 on the performance bonus, the 10% of the prize will be awarded on the basis of the percentage of average accessions and use of the digital tools in a month.
- *“There has been a widespread resistance to technological change of senior and low-skilled workers to the organizational change of their work, seen as a challenge but also as a threat” (Nat. T.U. official)*

The trade unions viewpoints

- General consensus about the need for a substantial modernization of the production system and work organization, including the digital technologies.
- *“The problem is to manage change together. The company is running and we cannot be left behind or pushed aside “ (T.U. Nat. Official)*
- DP and digitization can help to raise workers' average satisfaction with their jobs; skills enrichment, job rotation and continuous training, professional knowledge. Very appreciated improvements on H&S, both of workers and users.
- Need to prevent outsourcing and fragmentation processes from taking place in the name of organizational change, capable of eroding the unity of the CB perimeter that today regulates all the professional categories linked to the cycle as a whole.
- Unions aim to coordinate change, anticipating and closely following its planning and implementation.
- Unions fear that, through an overly accelerated generational and professional changeover, the representativeness of the union in the company could be significantly reduced, with consequences destined to be felt for everyone, in terms of guarantees and quality of work.

Electrolux

- Electrolux is a Swedish multinational specialized in the production of household appliances. One of the top 3 world producers, with brands like AEG, White-Westinghouse, Frigidaire, Kelvinator, Zanussi and others.
- 60 million buyers in 150 countries on all continents.
- 40 factories worldwide for the assembly of household appliances and the production of components and accessories.
- 47,543 direct employees all over the world; $\frac{1}{4}$ within the EU. The top five are Brazil (6,999), the US (6,610), Poland (5,461), Mexico (4,829), **Italy** (4,611), where the main plants are 5. For each direct employee it is estimated that there is at least one other in the supply chain.
- The average wage in the Italian plants is of 28,000 euros per year, close to 29 thousand of the EU average in the sector

The industrial relations

- A **participatory «best practice»** in the Italian system. Electrolux, ever since it bore the name of Zanussi, has played an important role in the Italian context of bargaining and trade union relations.
- The Swedish ownership has been stimulating the adoption of HRM models more inspired by participatory approaches, together with the socio-technical suggestions that have come from Japan and its managerial paradigm (lean production; TQM; Kaizen, etc.),
- **Indirect participation** is largely ruled by the national industry agreement: I&C rights; joint committees; Observatories for the anticipation of change, including the technological one
- 50% of **union density** in average and an organized system of decentralized collective bargaining, framed and in the shadow of the metalworking national agreement.

The Swedish culture and the HRM

“For Swedish culture, the trade union is an active part in industrial processes. In Italy it was considered useful to continue this form of confrontation”.

“At the managerial level, on both sides, the participatory model is positively perceived and has favored in this sense, also on trade union relations and cultural change”.

“However, this does not always happen at the plant level in the local organization” (T.U. Rep. 1).

The DP in the Electrolux Manufacturing System (EMS)

- **The EMS** represents the translation of lean production in the Group, and is strongly focused on the "full involvement of workers", as well as on "sharing the objectives and their achievement at all levels"
- **The Business Plan Development (BDP)** defines the general objectives and improvement plans, including the annual definition for each site of the "Plan of participatory actions, and related investments, aimed at improving the expected results of the various indicators of productivity, safety, quality, costs, people". Three levels and co-ordination of all the team-leaders
- **EMS Way.** It is a working methodology based on the concept of operational leadership that provides for the active interaction between the different organizational levels in order to define the improvement objectives and allow each team to work "independently" to achieve them, with the support of the managerial.
- **Participation Systems;** the "5s Technique" for Problem Solving, Audit, Before&After. Teamwork. Suggestions

Participation Systems: the EMS "5s Technique"

EMS "5s Technique"

It is a method that assigns each individual worker the role of:

1. controlling his / her workstation / work area, through
2. identification of the workstation standard;
3. identification and reporting of critical issues from the point of view of safety, quality, breaking position (red tog);
4. control, recognition and daily reporting of abnormal conditions;
5. subjecting to internal audits to verify the conditions and their maintenance.

The teamwork

EMS Focused Teams

- they are homogeneous groups of workers led by a Team Leader, who periodically share information on the trend of the pertinent indicators, on the conditions and safety standards and identify the corrective actions to be implemented.
- The activities of the Focused Teams take place through meetings, to be held at least once a month, lasting 10-15 minutes in the work areas where each member of the team can provide their own contribution through suggestions, requests for clarification or proposals for improvement. .

Box of suggestions

- Problem Solving approach, aimed at identifying the cause of a problem and eliminating it permanently.
- It takes the form of the possibility for the workers to prepare structured suggestions for improvement with the support of the company managers, i.e. the Team Leaders, responsible for times and methods, prevention and protection. They evaluate the feasibility and proceed with the implementation with very timely reduced (one week for simpler activities).
- The managers evaluate the feasibility of the suggestions received, and eventually promote their feasibility, also making this tool a method of involving staff.
- Through an inter-functional activity, the different teams thus have the opportunity to be an active part in the structured resolution of the problems in their area.

The perception of workers about work

- Has the work really become more autonomous and rewarding? Not really; they do not feel that they actually matter more.
- On the one hand, they admit the acceptance of some of their claims in the field of work organization (job rotation and enrichment), but on the other hand they still consider "*rather residual*", if not "*null and void*"
- The role of the delegates in anticipating change, too characterized - in their opinion - by the unilateral choices of management.
- "*The decision-making power of the workers within the teams remains scarce, even if the workers solicit, with suggestions, possible improvements. Finding no response from the team leaders, the workers then tend to turn to the union*" (T.U. Rep).

Direct 2 – National Workshop

The challenge of direct participation for new industrial relations at the time of digitization

FDV – Nat. and Lombardy FIOM-CGIL

Milan, mid-November; 9,30 a.m. – 16,30 p.m.

Chamber of Labor – CGIL

Antonio Castagnoli, Gen. Secr. FIOM-CGIL Lombardy, Welcome greetings

Salvo Leonardi, FDV, *Typological profiles and current issues of workers' participation: an introduction based on DIRECT 2*

Fabrizio Pirro, Work Sociologist Univ. of Rome, *Direct Participation in the times of digitalization: which challenges?*

Tiziana Canal, Researcher at the INAPP; *Participation and quality of work in the Italian survey for Eurofound*

Q&R

Coffe break

Roberta Turi, Lombardy FIOM Secretary; *Digitization, organizational innovation and industrial relations in the Lombard engineering sectors*

Matteo Gaddi, Work sociologist, *Team-working and industrial relations in the metalworking plants: an overview of some workers' surveys*

Scheduled interventions from Trade union delegates of the Group's plants

Lunch break

Adalberto Perulli, Professor of Labor Law, University of Venice; *Participation in the Electrolux model: between excursus and challenges for today*

Q&R

Michela Spera (National Secretary FIOM-CGIL) FIOM National, *Participation and industrial relations at Electrolux*

Campagner, I.R. Resp. Electrolux Italy

Scheduled interventions from Trade union delegates from some Group's plants

Francesca Re David, National Secretary General FIOM-CGIL - Conclusions

The challenge of direct participation for new industrial relations at the time of digitization

DIRECT 2 – European Round Table

Rome, November 5^o, 9,30 a.m. – 16 p.m.

Fulvio Fammoni, Pres. FDV; *Welcome greetings*

Salvo Leonardi, FDV Researcher, *Introduction of the initiative and its themes*

Kevin O'Kelly, European Expert in Industrial Relations (former Eurofound) and Michael Gold, Sociologist, Royal Holloway Univ. London, *The DIRECT research: typological profiles of direct participation and comparative findings*

Fabrizio Pirro, Work Sociologist Univ. Rome, *Direct Participation in the times of digitalization: which challenges?*

Andrzej Zjbala, Sociologist, Warsaw University, *The humanization of work: theoretical profiles*

Q&R

Tiziana Canal, INAPP Researcher, *Participation and quality of work: what happens when the employer involves*

Goffredo Di Palma, Editor "Mitbestimmung", *An overview of direct participation cases in Italy*

Matteo Gaddi, Work Sociologist "Fond. Sabattini", *Team-working and industrial relations: outcomes from a survey at the FCA*

Lunch

Cinzia Maiolino, Nat. Resp. Digitization and A.I. CGIL, *The digitization of work in Italy and the challenges for the workers' participation*

Q&R

Antonio Cavallera, Head of HRM ASPI / Claudio Tadioli, FILT-CGIL *The Highways for Italy (ASPI) case*

Q&R

Tania Scacchetti, National Secretary CGIL; *Conclusions*