BroadVoice

Broadening the spectrum
of employee voice
in workplace
innovation

National Report - Italy

Deliverable 3.1

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Abbreviation

B2B	Business-to-business
CEO	Chief Executive Officer
CGIL	Italian General Confederation of Work (Confederazione Generale Italiana del Lavoro)
CISL	Italian Confederation of Workers Trade Unions (Confederazione Italiana Sindacati Lavoratori)
CNEL	National Council of Economy and Work (Consiglio Nazionale dell'Economia e del Lavoro)
CSRD	Corporate Sustainability Reporting Directive
EEIG	European Economic Interest Grouping
ECS	European Company Survey
EFRAG	European Financial Reporting Advisory Group
EfVET	European Forum of Technical and Vocational Education Training
EMS	Electrolux Manufacturing System
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EU-28	European Union as consisting of a group of 28 countries (before 'Brexit')
FDV-CGIL	Fondazione Di Vittorio of the Italian trade union confederation, CGIL
HCM	Human Capital Management
HR	Human Resources
HRM	Human Resource Management
HORECA	Hotel, Restaurant, and Café/Catering
INPS	Italian National Social Security Institute (Istituto Nazionale della Previdenza Sociale)
ISTAT	Italian National Institute of Statistics (Istituto nazionale di statistica)
MBO	Management By Objectives
NACE	Statistical Classification of Economic Activities in the European Community (Nomenclature statistique des Activités économiques dans la Communauté Européenne)
NCLA	National Collective Labour Agreement
NPS	Net Promoter Score

NRFD	Non-Financial Reporting Directive
OCSEL	Observatory Second-Level Collective Bargaining (Osservatorio Contrattazione Secondo Livello)
OEE	Overall Equipment Efficiency
OTT	Over-The-Top
R&D	Research & Development
RSA	Workplace labour representation (Rappresentanza Sindacale Aziendale)
RSU	Unitary workplace labour representation (Rappresentanza Sindacale Unitaria)
SME	Small and Medium Enterprise
UIL	Italian Labour Union (Unione Italiana del Lavoro)
WCM	World Class Manufacturing

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1. Executive Summary

Objectives and methodology

Carried out thanks to the financial support of the European Union within the framework of BroadVoice project (No. 101126433), this report aims to increase the available data and information base on the interactions between direct participation and industrial relations in Italy, in order to help policy makers, social partners and the research community itself in better framing direct participation and its possible relations with representative voice, also in the context of organisational and technological innovation. By doing so, the study aims to contribute to the development of more precise and coherent assessments, guidelines and recommendations in this field.

To achieve the research objectives, a comprehensive review of national literature (comprising both quantitative and qualitative data) and a detailed analysis of the Italian institutional framework regulating various forms of worker participation were conducted, followed by the examination of empirical case studies. Notably, two sectoral case studies (respectively on the manufacturing and the advanced tertiary sector), also involving two company case studies each, were conducted to provide an in-depth understanding of the actual dynamics of direct participation and industrial relations in specific industries and work contexts. Each company case study was based on primary and secondary documentary analysis and at least three semi-structured interviews with company managers responsible for direct participation and worker representatives (for a total of 18 interviewees). Moreover, preliminary research findings were discussed and validated via a national workshop held on January 23, 2025 with 25 people among interviewed company-level social partners as well as national/local trade union and employer representatives from the targeted sectors and relevant stakeholders (incl. researchers and consultants).

Key findings

The area of interaction between direct participation and industrial relations in companies in Italy is a particularly difficult subject to identify. Weighing on this is the absence of a common awareness on the part of companies and worker representatives as to what direct participation is and thus of a clear perception of the development of direct participation in the workplace. Moreover, the often-informal character and the still rather moderate implementation of direct worker participation practices in Italian companies hinder their identification (ECS, 2019; INAPP, 2023). And yet, the tax legislation from the second half of the 2010s onwards has tried, through the lever of tax relief applied to performance-related bonuses, to promote the emergence of direct participation practices through their formalisation within ad hoc 'Innovation Plans' to be defined according to the indications provided in second-level collective agreements. However, this promotional legislative intervention has not achieved significant results at the moment, since direct participation practices are only present in slightly more than 10% of the collective agreements regulating performance bonuses and filed with the Ministry of Labour and Social Policies (Ministry of Labour and Social Policies, June 14, 2024).

Furthermore, although in recent years there has been an increased interest on the part of representative associations, at least at the national level, in the issue of workers' participation in the organisation of work (see also Impellizzieri, 2023; Raffi, 2024), and some good practices of

interaction between industrial relations and direct participation have been intercepted and analysed in the literature, especially in the context of manufacturing companies (e.g., Armaroli, 2022; Armaroli & Seghezzi, 2024; Campagna et al., 2015; Cirillo et al., 2023; Leonardi, 2022; Pero & Ponzellini, 2015; Signoretti, 2019), there still seems to be a lack of unified and clear conceptualisation and approach of the social partners (both on the trade union and employer side) to the issue, which can guide industrial relations actors at the company level in dealing with direct participation.

Coherently with literature (e.g., Dupuis & Massicotte, 2025), our empirical analysis shows that direct and representative worker participation may frequently coexist. They generally do not interact with one another, although not always they focus on different scopes. In addition to executive aspects (related e.g., to production lines' efficiency, which industrial relations generally do not focus on), direct participation is applied also to training, welfare, working time, etc., which are traditional subjects of collective negotiations in Italy. However, there is no reason to believe that direct and representative worker participation are mutually exclusive; on the contrary, they could work together, to the benefit of workers and companies, in both common and distinct spheres of interest.

Notably, positive examples of interplay between direct and representative worker participation are found in relation to: i) working time autonomy and flexibility, detected in the companies from the advanced tertiary sector, probably following workers' explicit demands for these solutions and the responsibility attributed to collective bargaining by the 2021 'National Protocol on Smart Working'; ii) and employee-driven workplace innovation, detected exclusively in the manufacturing companies, probably due to some structural and associational conditions, as well as workplace actors' orientations, which are moreover backed by national/local social partners and collective agreements.

In both circumstances, not only the overall 'breadth' of participation increases thanks to the complementary role of direct and representative participation (especially when different participation channels are combined and interact), but also the 'depth' of participation is boosted, since industrial relations and direct participation are functionally integrated with the former playing a role in defining, implementing and monitoring the latter, thus embedding it into a formal institutional framework (Cox et al., 2006). Though not always properly monitored and with no lack of criticalities, the impacts of such combination of participation practices on companies and workers are found to be generally good.

As regards worker representatives, instead, two main risks are detectable: i) the danger of being downgraded to a mere alternative to direct forms of expression, thus succumbing to its inevitable rise; ii) the no less unhappy prospect of being bent to the operational sidekick of company management, functional to the achievement of the objectives that the company alone attributes to participation. To avoid such problems, our research recommends that while engaging with direct participation, worker representatives do not lose sight of the broader objectives of industrial relations. In other words, they must shift their focus from viewing direct participation practices (such as working-time autonomy and self-managed teams) as mere objectives in themselves, toward a more comprehensive vision that integrates their possible broader outcomes (in terms of *efficiency*, *equity* and *voice*) and the need for a sustainable balance between them (Budd, 2004). Then, even if all workers (e.g., at the end of the life cycle of an innovation project) could self-determine in their work, the role of worker representatives would not be diminished, as advocates and guarantors that the individual's self-determination processes bring concrete social, democratic and economic benefits for the individual and the overall workplace community.

2. Introduction

The area of interaction between direct participation and industrial relations in companies in Italy is a particularly difficult subject to identify. Weighing on this is the absence of a common awareness on the part of companies and worker representatives as to what direct participation is and thus of a clear perception of the development of direct participation in the workplace, mirroring the various definitions and conceptualisations also emerging from national and international literature (for an overview on this issue, see Franca et al., 2024). Moreover, the often-informal character and the still rather moderate implementation (especially when compared with average trends at EU level) of direct worker participation practices in Italian companies hinder their identification (ECS, 2019; INAPP, 2023). And yet, the tax legislation from the second half of the 2010s onwards has tried, through the lever of tax relief applied to performance-related bonuses, to promote the emergence of direct participation practices through their formalisation within ad hoc 'Innovation Plans' to be defined according to the indications provided in second-level collective agreements (thus with the involvement of worker representatives). However, this promotional legislative intervention has not achieved significant results at the moment, since direct participation practices are only present in slightly more than 10% of the collective agreements regulating performance bonuses and filed with the Ministry of Labour and Social Policies (Ministry of Labour and Social Policies, June 14, 2024). Low percentages emerge also from the main reports on collective bargaining in Italy produced by private research bodies and observatories (ADAPT, 2024; FDV-CGIL, 2024; OCSEL, 2021).

Furthermore, although in recent years there has been an increased interest on the part of representative associations, at least at the national level, in the issue of workers' participation in the organisation of work (see also Impellizzieri, 2023; Raffi, 2024), and some good practices of interaction between industrial relations and direct participation have been intercepted and analysed in the literature, especially in the context of manufacturing companies (e.g., Armaroli, 2022; Armaroli & Seghezzi, 2024; Campagna et al., 2015; Cirillo et al., 2023; Leonardi, 2022; Pero & Ponzellini, 2015; Signoretti, 2019), there still seems to be a lack of unified and clear conceptualisation and approach of the social partners (both on the trade union and employer side) to the issue, which can guide industrial relations actors at the company level in dealing with direct participation. What do we mean with direct participation? What forms does it take in companies? When should direct participation be addressed? Is it relevant in the context of workplace innovation projects? How and with what means can industrial relations govern direct participation? Are there risks for labour representation in case of inaction or, on the contrary, in case of intervention? How to calm them down? Etc. Consequently, the good experiences identified in national literature seem to derive from specific company and local contexts and from chance encounters between worker representatives, companies and sometimes external consultants who happen to share similar orientations to the issue.

Stemming from this background, and thanks to the financial support of the European Union within the framework of BroadVoice project, this report aims to increase the available data and information base on the interactions between direct participation and industrial relations, in order to help policy makers, social partners and the research community itself in better framing direct participation and its possible relations with representative voice in Italian workplaces, also in the context of organisational and technological innovation, thus contributing to formulating more precise and coherent judgements, guidelines and indications in this field.

To achieve the research objective and answer to the above questions, two sectoral case studies (respectively on the manufacturing and the advanced tertiary sector), also involving two company case studies each, were conducted to provide an in-depth understanding of the actual dynamics of direct participation and industrial relations in specific industries and work contexts. The selection of the sectors, done in accordance with the whole BroadVoice consortium, ensures variation as regards structural (e.g., capital/labour intensity, manual/knowledge work, material products/immaterial services etc.), work organisational (e.g., hierarchical/flat organisational structures, rigidity/variability as regards the times and place of work, etc.) and industrial relations (e.g., unionisation rates, company-level collective bargaining coverage and characterstics, development of workplace labour representation bodies, fragmentation of interest associations, etc.) conditions. Companies within each sector were selected mainly on the basis of their involvement in industrial relations and development of direct worker participation practices, also paying attention to the interplay between direct and representative participation in connection with specific innovation projects recently carried out in the analysed work settings. On the contrary, the four selected case studies show variation as regards different structural and organisational factors (e.g., business activity, position in the value chain, type of governance, firm size, etc.). However, there emerged some traits common to the selected companies in each sector (geographical delimitation/dispersion, high/low coverage of workplace labour representation, etc.), which could be probably traced back to the sectoral affiliation itself, making it possible to place precisely the sectoral diversity at the centre of our analysis.

For each company case study, in addition to secondary and primary documentary analysis, at least three semi-structured interviews (whose structure was agreed within the whole BroadVoice consortium) with at least two targets: company managers dealing with direct participation and workplace labour representatives were carried out between July 2024 and January 2025. In three out of four selected case studies, researchers managed to interview also sectoral trade unionists with members at company level. The interviews have been complemented with further calls and emails for clarifications, when necessary. Overall, the authors conducted interviews with 8 company representatives, 7 workplace labour representatives and 3 with sectoral trade unionists. A national workshop was held on January 23, 2025 with 25 people among interviewed company-level social partners as well as national/local trade union and employer representatives from the targeted sectors and relevant stakeholders (incl. researchers and consultants) in order to show and discuss preliminary research findings, thus correcting and validating them. The Table below provides a more detailed overview of the people involved in the workshop and in the interviews.

Table 1. Overview of people involved in interviews and in the workshop

Interviews		
Related company case study	Number and categories of interviewees	Date of the interview/s
Case study 1M	- Trade union representative (1)	September 11, 2024
	- Worker representatives (3)	September 23, 2024; October 9, 2024; October 22, 2024
	- Plant Manager (1)	October 9, 2024; October 22, 2024

	- HR Manager (2)	
Case study 2M	- CEO (1) - HR Manager (1) - Trade union representative (1)	September 5, 2024
	- Worker representative (1)	November 18, 2024
Case study 1T	- HR Manager (1)	July 23, 2024
	- Worker representative (1)	November 4, 2024
	- Worker representative (1)	January 14, 2025
Case study 2T	- HR Manager (1) - Industrial Relations Manager (1)	September 19, 2024
	- Trade union representative (1) - Worker representative (1)	October 1, 2024
National workshop on January 23, 2025		
- 5 company managers (from the selected case studies) - 3 worker representatives (from the selected case studies) - 7 scholars, researchers and experts in labour sociology, managerial engineering, labour law and industrial relations - 2 representatives of two different employers' associations - 8 trade union representatives at either national or local level (3 coming from the selected case studies)		

Data collected via the above methods were thematically analysed in relation to the following main themes: company characteristics and state of innovation; workforce characteristics and labour relations; direct worker participation and the interplay with industrial relations; overall impact of the practices and future prospects. Notably, the analytical lenses applied to assess and explain the various company experiences were provided by the analytical framework produced within the BroadVoice project in July 2024 (Armaroli et al., 2024).

The report is structured as follows: in Chapter 3, a national literature review on direct worker participation and the role of industrial relations is provided. This is followed, in Chapter 4, by the analysis of the institutional framework on direct worker participation and the role of industrial relations in Italy. Chapter 5 is dedicated to sectoral and company case studies with insights into the dynamics, features and developments of direct participation in its interplay with industrial relations and workplace innovation projects. Chapter 6 concludes by linking the empirical evidence to the research questions and the institutional framework and theoretical debate.

3. National literature review on direct worker participation and the role of industrial relations

3.1. Development of direct worker participation: quantitative remarks

The development of direct worker participation in Italy remains relatively moderate and difficult to detect, given the absence of a common awareness on the part of companies and workers as to what direct participation is. Nonetheless, key insights and data can be extrapolated from the principal European and Italian literature addressing this issue.

Remarkable data come from the Eurofound report (2015), analysing direct employee participation in decision-making in 24,000 European establishments, according to six different classes. As data reported above could anticipate, taking a European perspective, Italy ranks relatively low in terms of 'extensive direct employee participation', comprising both top-down information and bottom-up consultation as well as forms of consultative and co-determinative interaction with employees. This form has been detected in 30% of all establishments, compared with an EU-28 average of about 50%. Eurofound data also reveal that the category of 'limited direct employee participation' (characterised by only regular meetings between employees and the immediate managers and communication channels like newsletters, websites and so on) is quite frequent in Italy, concerning 18% of all establishments (above the EU-28 average of 10%). A further widespread form in Italy is 'conventional direct employee participation', amounting to 28% of all establishments. This form refers to communication between employees and management primarily occurring through conventional interactions, such as regular meetings between employees and their immediate managers or regular staff meetings open to all employees. Similarly, 'on-demand direct employee participation' accounts for nearly 22% of establishments. In this class, communication between management and employees occurs in traditional settings, such as regular meetings between employees and their immediate managers, and through information dissemination channels like newsletters or websites. Additionally, when required, communication is facilitated through ad hoc groups. On the other hand, 'consultative direct employee participation' (complementing top-down information with a strong emphasis on bottom-up means of communication) is found to characterise less than 5% of Italian surveyed establishments.

More recent data from the European Company Survey (ECS) conducted in 2019 through online interviews with around 1,500 managers from 1,500 Italian establishments and 188 worker representatives. The survey provides insights into the category of direct participation, analysed through fourteen distinct questions. The first question addressed the extent to which involving employees in organisational changes contributes to a competitive advantage for the establishment. In this context, 14% of Italian companies believe that employee involvement offers a competitive advantage to a small extent, 55% perceive it as providing a moderate advantage, and 29% view it as offering a significant advantage; only 1% consider it to be not advantageous at all. The survey also explored whether employee involvement causes delays in the implementation of changes. According to the findings, 23% of Italian companies reported that involving employees does not cause any delays, while 46% indicated that it causes delays to a small extent. Additionally, 25% noted that it leads to delays to a moderate extent, and 7% reported significant delays.

Regarding the direct influence of employees on management decisions, the areas where Italian employees exert more influence relate to training and skills development (13% of companies stated that employees had no direct influence, 34% reported a small extent, 45% noted a moderate extent, and 7% recognized a great extent of direct influence), working time arrangements (19% of companies declared that employees had no direct influence, 34% reported a small extent, 38% recognized a moderate extent, and 9% acknowledged a significant extent of direct influence) and particularly, organisation and efficiency of work processes (the only area where more than 10% of companies recognised a significant degree of direct employee influence and less than 10% of companies reported no direct employee influence, while 27% reported a small extent of direct influence, 53% noted a moderate extent). By contrast, dismissals and payment schemes turn out to be only poorly influenced by employee voice. With regard to dismissals, 54% of surveyed companies stated that employees had no direct influence at all, 29% acknowledged a small extent of direct influence, 13% indicated a moderate extent, and 4% recognized a significant extent of direct influence. In terms of direct employee influence on payment schemes, 33% of companies reported that employees had no direct influence, while 41% indicated a small extent of direct influence, 23% recognized a moderate direct influence, and 3% acknowledged a significant extent of direct influence. Overall, in terms of direct employee influence on management decision-making, 40% of companies indicated a low level of employee influence, 34% a medium level, and 26% a high level; at the EU level, percentages are slightly more positive, with 36% of companies reported a low level of employee influence, 30% a medium level, and 34% a high level.

Furthermore, the study examines various channels of employee involvement, such as newsletters, websites, notice boards, and emails, used to communicate and engage employees in workplace organization. Results indicate that 26% of companies use these dissemination methods irregularly, 33% use them regularly, and 41% do not use them at all. Regarding open meetings intended to involve all employees in organisational discussions, 47% of companies reported holding these meetings irregularly, 28% held them regularly, and 25% did not use this method. For meetings between employees and immediate managers specifically focused on organisational issues, results are more positive: 34% of companies held these irregularly, 57% held them regularly, and 9% did not conduct such meetings. By contrast, suggestion schemes are used in only 18% of companies, with 82% not implementing them: this is in stark contrast with an EU average of 36% of companies making use of suggestion systems and 64% not implementing them. Finally, online board discussions are held on a regular basis only in 6% of companies.

When assessing direct employee participation by establishment size, the data reveal varying but not highly significant differences. Among establishments with 10 to 49 employees, 18% reported limited tools and low influence for direct employee participation, another 18% indicated a meeting-oriented approach with limited influence, 38% showed irregular participation with moderate influence, and 27% practiced regular participation with high influence. In establishments with 50 to 249 employees, 12% reported limited tools and influence, 12% indicated meeting-oriented participation with limited influence, 45% had irregular participation with moderate influence, and 31% maintained regular participation with high influence. Similar trends were observed in establishments with more than 250 employees. The ECS (2019) also examines direct employee participation across different economic sectors, revealing significant variations in engagement levels and influence. In the industrial sector, direct participation is predominantly irregular with moderate influence (39%), while only 19% of companies report regular participation with high influence: the lowest percentage among all the sectors considered in the survey. In the construction sector, regular direct participation with high influence is notably higher, at 27%, although 41% of companies report

irregular participation with moderate influence. In the transport sector, direct participation is predominantly meeting-oriented and with limited influence (30%) as well as irregular and with moderate influence (29%), while only 21% of companies report regular direct participation with high influence. The remaining companies in this sector report few tools for participation and minimal influence. In the commerce and hospitality sector, the situation is quite similar to that of construction with 41% of companies describing participation as irregular and moderate, 30% reporting limited or low influence, and 29% depicting direct participation as regular with high influence. Other services are the sector with the higher percentage of companies reporting regular and highly influencing participation (38%), while 37% describe participation as irregular, with only a small percentage indicating limited influence.

Further interesting insights are provided by the European Working Conditions Telephone Survey (2021) asking around 3,100 Italian employees about their ability to adapt to changes. According to the results, 54% of Italian workers (compared with an EU average of 46%) stated they are always or often able to choose or modify their working methods. Additionally, 55% reported being often/always able to choose or modify the order of tasks, and the same percentage (55%) said they were often/always able to change the speed or rate of work. In both areas, the EU averages is slightly lower, amounting respectively to 53% and 49%. Regarding the ability to influence decisions important for work, 24% stated they are always able to do so, 28% often, while 13% reported they are never able to (this percentage is 8% in the EU). Participation in improving work organization or work processes was rated as high by 58% of respondents, intermediate by 20%, and low by 22%, figures largely consistent with the EU average. Finally, Italy's organisational participation and discretion index is also in line with the European average: high discretion and high participation were reported by 32% of respondents in Italy, compared to an EU data of 31%.

As regards Italian analyses, the report elaborated by the Italian Institute for Public Policy Analysis (INAPP, 2023), utilising a cluster analysis based on three key aspects of human resource management (also HRM hereinafter) - namely employment contracts, flexibility and productive orientation, and the degree of worker participation and autonomy - identifies four organisational models' representative of the Italian local units analysed. These are:

- The 'traditional quality' model (detectable in 49.7% of Italian firms), characterised by a high level of permanent workers, a low propensity for smart working, and a moderate level of both innovation and promotion of worker participation and autonomy.
- The 'hybrid' model (detectable in 20.0% of Italian firms), marked by a high level of temporary workers and a low propensity for smart working, but with an above-average inclination towards innovation and change.
- The 'resilient' model (detectable in 15.7% of Italian firms), notable for its extensive use of atypical contracts and limited autonomy granted to workers, exhibiting low tendencies for change and innovation.
- The 'smart' model (detectable in 8.2% of Italian firms), which features high-quality human resource management in terms of employment classification and worker autonomy and participation, coupled with a significantly higher propensity for innovation, change, and organisational flexibility compared to other firms.

Another measure of worker participation is discussed in a paper by Canal and Gualtieri (2020). Utilising data from the IV Survey on the Quality of Work in Italy (2015), conducted by INAPP, the authors analyse the relationship between the adoption of specific practices aimed at enhancing and

involving workers and various performance indicators of firms, including their propensity for innovation. Specifically, the issues related to worker participation addressed in the survey are the following:

- whether regular meetings are held between workers and their supervisors, or whether regular staff meetings open to all workers are conducted, with the aim of involving workers in the methods of work execution.
- whether decision-making is shared between employers/supervisors and workers.
- whether training initiatives for workers are implemented at the site.
- whether worker performance evaluations are based solely on results or also on behaviours and overall performance.

The empirical evidence reveals that, among the total local units examined in the survey (5,000), nearly all (94.9%) report conducting regular meetings with workers; 78.4% also state that decision-making processes are not solely the responsibility of the employer. Just over half of the local units (52.4%) report having implemented training initiatives for workers in the previous year. Lastly, 70% indicate that worker performance evaluations are based not only on local unit results but also on competencies, behaviours, and performance execution methods. Units that exhibit all the four criteria previously outlined account for 26.8% of the total, nearly a quarter of all units across the national territory and authors referred to them as units with truly 'participative organisational' practices. They seem to be more prevalent in the Northern regions of Italy (accounting for 30.2% in the North-East and 28.8% in the North-West) and less represented in the Southern regions (where the proportion is 22.3%). In addition, the analysis reveals a positive association with the size of the local unit in terms of employees: as the size increases, the proportion of units with participative organisational practices also increases, reaching 42% for local units with 250 employees or more. However, as underlined by the paper, this last result might mask the risk of capturing practices that are predominantly formal and more commonly applied in structured contexts, such as medium to large-sized enterprises. Regarding the spread of participative practices according to economic sector, the proportion is higher in other services (29.4%), while it decreases in industry (27.2%) and in commerce and tourism (22.0%). With respect to the age of the local unit, authors found a direct relationship: younger units (those with less than 8 years of existence) are more inclined to adopt participative practices (32.9%).

3.1.1. Direct worker participation in collective agreements

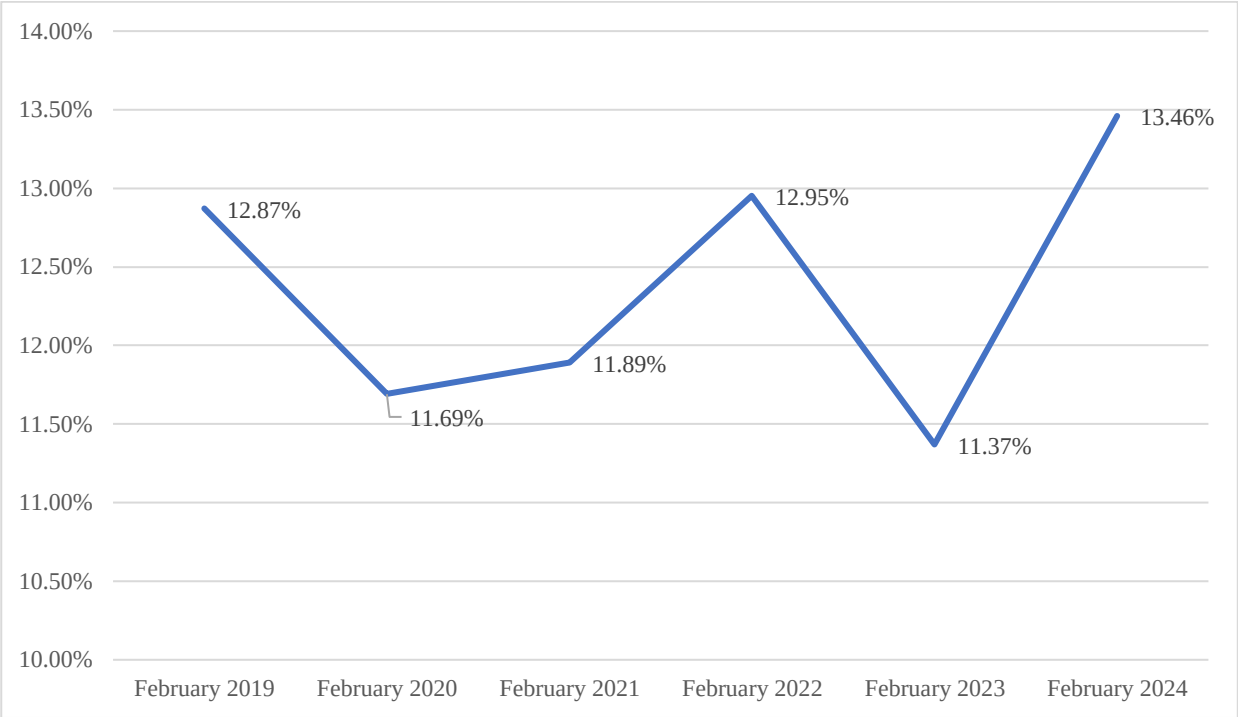
By and large, information and consultation procedures with worker representatives, envisaged by law and especially by collective agreements, constitute the main form of worker participation in Italian workplaces (Leonardi, 2022). By contrast, direct worker participation is scantly regulated in collective agreements (Ponzellini & Della Rocca, 2015), although an important stimulus in this direction has been provided by Budget Laws from 2016 setting forth, initially, an increased tax reduction and then, from mid-2017, a 20% reduction in social security contributions applied to performance-related pay schemes (amounting up to 800 euros), as long as they are regulated in decentralised collective agreements also envisaging forms and instruments for worker participation in work organisation. The conditions upon which these contributory incentives apply, have been specified in Circular No. 5/E of the Tax Agency, issued on March 29, 2018. It clarifies that worker participation should be formalised through an ad hoc 'Innovation Plan' designed by the employer

or a bilateral labour-management committee, according to the indications provided in the decentralised collective agreement applied to the workplace. The Plan should report: i) the examination of the initial context, ii) the participatory actions and organisational schemes to be implemented and the related indicators, iii) the expected results in terms of improvement and innovation, and iv) the role played by the workplace labour representation body, if established. Among the practices envisaged in the Circular, there are:

- 'participatory innovation schemes', regarding worker participation in innovation projects. These may include: i) continuous improvement and project-focused groups, ii) targeted training for innovation, iii) suggestion schemes, iv) communication campaigns and tools for the development of innovation projects (e.g., workshops, focus groups, seminars, etc.), etc.
- 'participatory management schemes', regarding worker participation in the management of tasks and productive activities as well as in the organisation of time and place of work. These may include: i) structured and formalised work team, charged with specific objectives to be achieved, and the management of job rotation and versatility among workers, ii) programmes for the management of time and space flexibility solutions in a shared manner between workers and managers, iii) communities of practices for the development of new knowledge and skills, possibly deploying digital technologies and social networks; etc.

From November 2018, the Ministry of Labour and Social Policies releases monthly reports on decentralised agreements submitted in the dedicated area of the Ministry's website, by companies willing to get fiscal incentives associated with the provision of performance-related pay. Overall, between February 2019 and February 2024, the average proportion of decentralised agreements providing for direct worker participation practices, amounts to only 12.37% of the total agreements that are registered in the Ministry's portal and in force, with slight differences across the years (Figure 1). In mid-June 2024 (period of publication of the last released report), decentralised agreements with variable pay schemes registered and in force were 13,597; direct worker participation practices were envisaged only in 1,300 agreements (corresponding to 9.56%) of them.

Figure 1. Direct worker participation practices in decentralised agreements providing for performance-related bonuses



Source: Authors' elaboration from Reports of the Ministry of Labour and Social Policies (February 2019-2024)

Data released by private organisations dedicated to the analysis of collective bargaining are even less encouraging. Indeed, according to ADAPT report (2024), direct worker participation is regulated only in 4% of 440 company-level agreements collected by the institute and signed in 2023. The same percentage is reported in the 2023 ADAPT report referring to collective bargaining of 2022. Another report on decentralised collective bargaining is produced by the research foundation, Fondazione Di Vittorio (FDV), of the main Italian trade union confederation, CGIL. The last edition of FDV-CGIL report was published in 2024 and realised on the basis of a non-representative sample of 1,697 company-level collective agreements signed between 2021 and 2023. Among these, only 20 (corresponding to 1.2%) provide for direct worker participation practices (FDV-CGIL, 2024). A similar scenario would emerge from the reports issued by OCSEL, the Observatory on second-level collective bargaining of the second largest Italian trade union confederation, CISL. Indeed, direct worker participation is found to be regulated in 2.6% of 922 company-level agreements signed in 2019 and analysed by the Observatory. However, by considering the sole agreements covering the area of work organisation (around 120), these practices amount to 20%; more specifically, surveys for the assessment of worker wellbeing, hybrid commissions (composed of company and trade union representatives, as well as individual workers) and working groups, stand respectively for 6%, 20% and 3% of agreements dealing with the organisation of work (OCSEL, 2021). These analyses, though, when measuring direct worker participation in collective agreements, do not consider weakest forms of participation e.g., via information and training campaigns, nor workers' autonomy in the management of their work, e.g., through remote working. The latter issue appears to be more frequently regulated in company-level collective bargaining, standing respectively for 12% and 19%

of the agreements analysed in the last ADAPT and FDV-CGIL reports. This is also due to the particular attention casted by workers to the topic over the last years (mainly following the Covid-19 pandemic) and the responsibility attributed to collective bargaining by the 'National Protocol on Smart Working' reached by the government and several national social partner organisations on December 7, 2021.

Moreover, interesting case studies where direct participation in work organisation interacts with industrial relations actors and institutions, have been reported in national literature, especially with reference to manufacturing medium to large workplaces (e.g., Armaroli, 2022; Campagna et al., 2015; Cirillo et al., 2023; Codara & Sgobbi, 2022; Leonardi, 2022; Pero & Ponzellini, 2015; Signoretti, 2019), in parallel with a growing interest of social partners in the area. As a matter of fact, participation in work organisation (a privileged area of intervention for direct worker participation) is explicitly promoted in the 2016 document "Un moderno sistema di relazioni industriali" *[A modern industrial relations system]* drafted by the trade unions CGIL, CISL and UIL as well as in the cross-industry agreement signed on March 9, 2018 by the same trade union organisations and the employers' association Confindustria (see also Impellizzieri, 2023; Raffi, 2024). In the light of the commitments made by the parties in the latter cross-industry agreement and the tax incentives for direct worker participation, on October 4, 2019, the local employers' association, Assolombarda and the local branches of the trade union confederations, CGIL, CISL and UIL, operating in the area of Milan, signed a collective agreement specifically aimed at, on the one hand, raising companies' and worker representatives' awareness about worker participation in organisational issues, via joint information and training initiatives, and on the other hand, looking for tools and modalities through which decentralised collective bargaining could foster worker participation.

Furthermore, at the sectoral level, the 2021 renewal of the main NCLA for the metalworking sector enables companies and worker representatives, possibly assisted by sectoral trade unions, to sign a so-called 'Protocol on participation', where establishing and regulating advanced forms of worker participation in work organisation, i.e., through cross-functional work teams dedicated to specific productive and operational issues. More recently, in 2023, the second largest trade union confederation CISL launched a popular bill on worker participation, now discussed in Parliament, whereby a specific chapter is dedicated to 'organisational participation', consisting of the possibility for joint labour-management committees at workplaces of defining innovation and improvement plans, possibly entailing (though not specifically mentioned) also direct worker participation practices. Finally, the renewal of the main NCLA for the textile industry, signed on November 11, 2024, introduces a protocol on worker participation in the belief that it is essential for adapting production systems, responding to market needs and improving productivity. Within this framework, a definition of direct participation is provided as encompassing methods for worker consultation on organisational and production matters. Importantly, the parties agree on general guidelines for implementing direct participation in work organisation. It should start with the sharing of the scope and objectives of the participatory project with workers, and the conduction of information and training activities aimed at building shared values. The next steps imply the establishment of a specialised working group charged with the analysis of the organisational context, the implementation of the participatory project and its periodic and final assessment. The last stage consists of the possible introduction via company-level collective bargaining of new organisational and productivity arrangements resulting from the participation project. Actually, similar protocols were already introduced in the NCLAs for the toys industry (2021) and the leather and umbrella manufacturing industries (2023).

3.2. Development of direct worker participation: qualitative aspects

As regards the content of direct worker participation practices developed in Italian workplaces, Campagna and Pero (2017) provide a list of eight types of direct worker participation practices, which they consider as the most widespread in Italy. Interestingly, these types resemble the practices listed in Circular No. 5/E of the Tax Agency, issued on March 29, 2018: an indication of the influence of the authors' works on administrative practice. Notably, the types of direct worker participation identified by the authors and reflected in most empirical research, encompass: i) worker autonomy on the identification of work goals, professional roles' empowerment and task-based participation (see also, Ponzellini & Della Rocca, 2015) e.g., through job rotation and job enlargement and enrichment; ii) structured and formalised work teams or interdepartmental groups for work management (see also, Pero & Ponzellini, 2015); iii) working time flexibility and smart working solutions, upon agreement between workers and company (see also, Carreri et al., 2024; Erlicher & Pero, 2022); iv) informal social networks among workers e.g., for the resolution of specific productive problems; v) targeted information and training campaigns on innovation programmes, via e.g., newsletters, focus groups, workshops, etc.; vi) suggestion systems to improve productive processes; vii) continuous improvement groups or project-based groups; viii) communities of practices i.e., professional communities and social networks for know-how development. A further direct worker participation practice not included by the authors consists of company surveys addressed to the workforce e.g., for the identification of critical aspects concerning the organisation of work or HRM (Cisl, 2019). Importantly, literature shows that these practices can be integrated with one another, e.g., in the case of work teams involving job rotation among their members (Cipriani, 2018), suggestion systems functional to the constitution of improvement groups dedicated to the implementation of individual workers' suggestions, etc. (Pero & Ponzellini, 2015). Moreover, these practices are included among the so-called 'High Performance Work Practices' identified by the Eurofound, along with worker training and financial participation via performance-related reward systems (Ponzellini, 2017).

Interestingly, the practices identified by Campagna and Pero (2017) are also analysed according to some important dimensions (Figure 2):

- Intensity, which can be either weak (in case of practices put in place unilaterally by management and entailing no or scant possibility for workers of influencing decisions) or strong (when the ways and scopes of participation are partly agreed between workers and managers and there is a concrete opportunity for workers to influence company decisions);
- Scope, which following the ground-breaking work of Baglioni (2001), can be either operational (when participation, usually direct, affects the daily management and micro-organisation of work e.g., in the form of worker autonomy on the identification of work goals, the establishment of work teams) or organisational (when participation concerns the ordinary management of the company and it can be either representative e.g., through bilateral labour-management committees, or direct e.g., through consultation of workers on issues like health and safety and work organisation);
- Form, which can be either formalised or informal;
- Objectives, which can concern either work management or innovation;
- Contribution, which can come from either individual workers or group/s of them.

Table 2. Classification of the eight most widespread forms of direct worker participation according to five dimensions

	Form	Intensity	Objective	Type of contribution	Scope
Worker autonomy on objectives and empowerment	Informal	Weak	Management	Individual	Organisational
Structured and formalised work teams	Formalised	Strong	Management	Group	Operational
Working time flexibility and smart working	Formalised	Strong	Management	Group	Organisational
Informal social networks	Informal	Weak	Management	Group	Operational
Targeted information and training campaigns on innovation	Formalised	Weak	Innovation	Individual	Organisational
Suggestion systems	Formalised	Strong	Innovation	Individual	Operational
Continuous improvement groups	Formalised	Strong	Innovation	Group	Operational
Communities of practices	Informal	Strong	Innovation	Group	Organisational

Source: Authors' elaboration from Campagna & Pero (2017).

A further interesting classification is provided by Ponzellini and Della Rocca (2015). Firstly, the authors draw on Gallie et al. (2001) to distinguish between worker participation as task discretion on the one hand, and organisational participation on the other hand: the former concerns workers' influence on their immediate tasks (e.g., through job rotation and enrichment schemes), while the second regards workers' influence on the organisation of work. Secondly, the authors differentiate between HRM practices (aimed at managing workers as resources) and organisational structure (aimed at allocating activities and coordinating them). According to them, many innovative practices introduced with the new service and production paradigms, like teamwork, information and training sessions and suggestion systems, have been mainly analysed from an HRM perspective; however, their impact has also invested the organisation of work: i.e., task distribution, professional roles, skills development, hierarchical relations, coordination models, and so on.

3.2.1. Direct worker participation and workplace innovation

By and large, Italian literature supports the idea that technological innovation requires a parallel evolution in work organisational terms towards advanced lean methods and practices, encompassing teamwork, suggestion schemes, abandonment of hierarchical structures, etc. (Cisl, 2017). More specifically, whereas in the 1980s automation (largely entailing a replacement of human work) could be successfully applied in traditional organisations, today there is need for an integration between people, machines and digital technologies, due to their considerable variety, complexity and modulability. This is moreover in line with the socio-technical tradition (Butera, 2018), and is proved by some in-depth company case studies, where there is a clear indication that business process and organisational innovation must accompany, if not precede, technological innovation (Cisl, 2019). The main reason lies in the very characteristics of digital technologies (e.g., interconnection, data availability, real-time processing, virtualisation, etc.), which are found to both require and facilitate strong interdependence between tasks, functions, professional levels and forms of horizontal coordination and direct worker participation. On the one hand, indeed, the effective use of digital technologies is facilitated by new organisational solutions centred on process orientation and teamwork. On the other hand, it is digitisation itself that enables more advanced and participative organisational solutions, if this is the goal pursued by companies. By contrast, the risk that companies run, if they do not precede technological innovation with organisational redesign, is that of 'digitising waste', not resolving pre-existing inefficiencies (Cisl, 2019). In the light of above considerations, it is no wonder that in Italy the slowness of organisational innovation (also given the family characterisation of small companies and the Fordist hierarchical approach of medium and large companies) is accompanied by scarce investments in new technologies (Campagna & Pero, 2017).

However, the implementation of advanced forms of lean organisation would not reduce the risk of worsening working conditions. Indeed, as observed by Ponzellini and Della Rocca (2015), whereas a downward delegation of decision-making powers is largely enabled by companies' transition to post-Fordism, the pervasiveness of control systems partly embedded in new technologies and partly in the social control proper to teamwork, might not lead to workers' greater autonomy in the management of their work. Coherently, empirical research on the adoption of World Class Manufacturing (WCM), especially in the Italian plants of the Stellantis (former Fiat) automotive group has shown ambivalent results: improvements in ergonomics and a broadening of skills, with positive impacts on work quality, motivation and worker satisfaction; and on the other hand, an intensification of work rhythms, few opportunities for collaboration between team workers and not necessarily increased decision-making autonomy (Campagna et al., 2015; Cirillo et al., 2023; Dorigatti & Rinaldini, 2019). While in Campagna et al. (2015) these ambivalences trace back to the intermediate stages of change processes, where forms of participation would still be weak and teamwork informal, Dorigatti and Rinaldini (2019) attribute these findings to a tension between two different managerial logics that would coexist in organisational innovation paths: the first oriented towards time saturation and work intensification, and the second towards improving ergonomics and work quality.

To offset negative impacts on working conditions, studies suggest resorting to worker participation, in both its direct and representative forms, for the planning, monitoring and implementation of technological and organisational innovations (Cisl, 2017). Notably, direct worker participation practices are found to lead to a successful implementation of lean organisational methods, as long

as they are constant over time and with no limitations over their contents (Signoretti, 2017). This means that especially in case of deep transformation paths, there is the need not only to temper top-down managerial decision-making with scalar and progressive direct worker involvement practices (e.g., in the form of communication campaigns targeted at the whole workforce, followed by training initiatives with workers involved and the establishment of work teams) (Pero & Ponzellini, 2017), but also to enable a truly shared decision-making process with the contribution of workers (individually or within teams) since the beginning of project planning, over the objectives and ways to implement changes (Cisl, 2019). Furthermore, Campagna and Pero (2017) observe that in medium and large companies, direct worker participation, on the one hand, tends to accelerate organisational and technological changes, and on the other hand, supports company improvements in productivity, quality, flexibility and responsiveness. The process appears to be reversed in small companies, where it is weak forms of worker participation that may favour the adoption of more advanced organisational tools and technologies, with positive impacts on company competitiveness. By and large, the authors claim that there exists a relationship between technological innovation, organisational innovation and forms of worker participation. These findings from qualitative case studies are also in line with Canal and Gualtieri's (2020) data, which highlight that local units adopting worker involvement and enhancement models are more likely than other units to achieve better financial performance, higher labour productivity, greater quality of products and services and also greater propensity towards innovation.

However, the process is not straightforward, since there may be difficulties for companies deriving from the contemporary management of different changes investing e.g., the deployment of new technologies, the organisational model, the cultural sphere, etc. To deal with such complex transitions, as before mentioned, workers' training turns out to be particularly important to allow workers to understand the upcoming changes and stimulate their commitment and concrete involvement (Signoretti, 2017). In addition, team workers need proper time for problem solving, regular feedbacks from management and rewards for their valuable ideas (Campagna et al., 2015; Dorigatti & Rinaldini, 2019). Overall, what also counts seems to be the double link between material conditions and culture on the one hand, and between managers' and workers' behaviour on the other hand: workers, indeed, begin to change the old culture and trust management, when they see the beginning of change in managerial practices e.g., in relation to improved safety and working conditions; in turn, management only begins to trust workers and believe in the organisational innovation when they see positive results in productivity and quality that could not be achieved in the old model (Campagna et al., 2015). Nevertheless, the high degree of informalisation of direct participation practices is suspected to seriously limit their role in organisational change (Sonnati, 2024).

3.2.2. The role of industrial relations

As regards worker representatives and industrial relations, though generally stranger to workplace innovation (Armaroli & Seghezzi, 2024; Cirillo et al., 2023; Gambacciani, 2023; Ponzellini & Della Rocca, 2015), their role is not irrelevant for the implementation of organisational changes, also implying direct worker participation, as some empirical cases demonstrate. Indeed, on the one hand, the involvement of trade union representatives (albeit via simple information procedures) increases workers' acceptance of organisational changes (Signoretti, 2017); on the other hand, also thanks to the interplay between their identity, institutional framework and associational resources

available at workplace level, Italian trade unions may succeed in preventing higher work intensity associated with lean organisational methods (Signoretti, 2019). Importantly, as argued in Campagna et al. (2015), an industrial relations framework for direct worker participation is not desirable per se, but only as long as it: takes working conditions away from corporate benevolence and returns it to a long-term pact between different stakeholders; and supports a common commitment to the continuous improvement of production organisation and increases in productivity, accompanied by a fair distribution of benefits among those involved.

As regards the methods through which worker representatives in Italy can effectively engage in the regulation and implementation of direct participation, some theoretical and empirical studies hint at the importance of institutional participatory structures, like joint labour-management committees, which are better suited, given their dynamism, flexibility and common-goals orientation, to the design of developmental paths via direct participation, especially if compared with collective bargaining: generally driven by a more adversarial approach and leading to formal outcomes and rules which are hard to be adapted or revised (Armaroli, 2019; Ponzellini & Della Rocca, 2015). However, the role of collective bargaining is not to be totally downplayed. In this sense, literature calls for an articulated participatory set-up in workplaces, where labour representation is functionally integrated with direct participation, e.g., within the framework of joint labour-management committees that coordinate and monitor the functioning of work teams or suggestion schemes, as well as through collective agreements that regulate issues instrumental to participatory practices, such as welfare, training and performance-related pay (Cisl, 2019; Pero & Ponzellini, 2017). With regard to the industrial relations climate favourable to the development of worker-driven innovation projects, research seems to support the need for a hybrid model of labour-management relations, where a cooperative approach based on mutual trust between managers and workers does not eclipse a more militant and independent side of worker representatives, which can act as a buffer against excessive work intensification (Bennati, 2018; Famiglietti, 2015; Sai, 2017).

Yet, in reality, as seen above, though significantly involved in the negotiation of performance-related bonuses, the trade union initiative appears largely unrelated to the negotiation of those factors that could affect precisely the improvement of company performance, such as organisational innovation, the involvement of workers on quality objectives, the introduction of merit-based career systems, etc. In general, organisational innovation not only continues to be modest in the Italian production system but, even when it is introduced in the workplace, it tends not to be a subject of social dialogue. Perhaps what prevails is the fear of many companies of seeing their own sphere of initiative invaded, especially in a context of industrial relations that struggle to move away from a confrontational approach. Perhaps also weighing on this is the lack of a comprehensive strategy on these issues in the trade union culture, and a certain lack of interest on the part of worker representatives for issues not directly related to wages (Gambacciani, 2023; Ponzellini, 2017). Nevertheless, empirical research demonstrates that workers' representatives could play an important role in improving the functionality of direct participation practices, also by acting on the criticalities that possibly emerge. In particular, trade union representation could intervene in the information and training of workers, as well as participate in the identification of objectives and areas on which to focus the experimentations; it could exercise greater control over the effects of participatory practices on working conditions, for example, by conducting surveys on the well-being of workers and the implications of their involvement on their professional roles, ensuring that the economic results obtained with the cognitive input of workers are then adequately redistributed (Armaroli & Seghezzi, 2024).

In this regard, it is worth noting that the role of an Italian metalworkers' organisation in the promotion and implementation of direct worker participation at workplaces has been found to depend upon its identity, interacting positively with a certain environmental context, and to be sustained by the learning capabilities of worker representatives, some infrastructural resources and specific institutional norms (Armaroli, 2022). In addition, it has been contended that the involvement of trade union representation in workplace innovation would require new skills (i.e., the ability to define and develop real innovation projects), possibly supplied by external experts or university professors and students (see also Codara & Sgobbi, 2022), and would deeply affect the relationships between the trade union leadership and its rank-and-file. Indeed, enriched with new professional content, trade unionists may come to perform activities of co-design and co-governance of innovation, which would expand outside the traditional boundaries of labour representation and negotiation, with the risk of disorientating and, consequently, disaffecting workers and members. In detail, not only could the design of workplace innovation overshadow the original trade union function of defending workers' interests, but even if workers come to accept this unprecedented area of trade union activity, worker representatives might deal with new risks of discontent, since they could be blamed also for the failure of company development paths (Armaroli, 2019).

Despite few exceptions of integration between direct worker participation and industrial relations which are well documented in literature, Italian workplaces seem to largely lack an 'institutional' framework for direct participatory experiences; and this would be a critical factor for their dissemination, since worker representatives and trade unionists suffer from the absence of models to inspire their action in companies (Ponzellini, 2017). Overall, both trade unions and companies are asked to adapt to the new productive models. Trade unions should understand what role to play in this new historical era and should also rethink a system of workplace labour representation that can no longer be conceived as a mere terminal of the trade union organisation in the workplace. For the company, there is a need to give greater recognition to workers' contributions to performance, but also to build a socio-productive system that values work not only through wages or welfare benefits, but also through the development of knowledge, careers, autonomy and work-life balance. Finally, there is a problem common not only to trade unions and companies, but to the entire national community, which relates to make these participatory mechanisms sustainable in the long term through more mature and shared governance (Pero & Ponzellini, 2015).

4. National institutional framework on direct worker participation and the role of industrial relations

4.1. Collective bargaining system in Italy

Italian industrial relations are regulated by law and collective bargaining, with the latter prevailing over the former, which means they are clearly 'voluntarist'.

Collective bargaining is based on a coordinated two-tier system. National industry-wide collective labour agreements (NCLAs) represent its primary level, while 'second-level' agreements are negotiated either at the company and/or territorial level. NCLAs regulate a wide range of issues related to employment relations, including working hours and paid holidays, training, health and safety at work, the use of fixed-term contracts, some aspects of social insurance and, of course, pay determination. Company-level agreements then introduce mechanisms to increase productivity and regulate how their benefits are distributed among employees through so-called 'performance-related pay'. As before mentioned, second-level collective agreements may also be stipulated at the local level. In some sectors, such as agriculture and construction, there is an optional third level: the regional level.

After the 2009 reform of the collective bargaining structure, defined through a tripartite framework agreement (signed between trade union organisations, employers' associations and the government), NCLAs have a duration of three years, with a unified deadline for regulatory and pay issues.

Formally, in the Italian legal system, collective agreements are classified as acts between private actors. As such, they apply only to the members of the signatory parties, and their validity cannot be extended by law. Despite the lack of *erga omnes* extension mechanisms, extensive coverage is ensured by the de facto application also to non-members, due to the propensity of the jurisprudence to use the minimum wages set by the NCLAs as reference points to implement the principle of 'fair pay' stated in Article 36 of the Constitution. For this reason, bargaining coverage – that is, the percentage of employees covered by collective agreements – is estimated to be 80% (Visser, 2019).

Due to the need to oppose the expansion of collective agreements concluded by trade unions and employers' associations of dubious representativeness and the spread of so-called 'contractual dumping', the issue of the possibility of ad hoc legislative intervention was raised several times. For the time being, opposition to such intervention has prevailed due to the danger of damaging the autonomy of trade union organisations.

4.2. Collective representation in Italy

In Italy, there are three main trade union organisations: i) the Italian General Confederation of Work (*Confederazione Generale Italiana del Lavoro*, CGIL), politically on the left and historically close to the former Communist and Socialist Parties; ii) the Italian Confederation of Workers Trade Unions (*Confederazione Italiana Sindacati Lavoratori*, CISL), politically independent and essentially non-confessional, although with Social Christian influences; iii) the Italian Labour Union (*Unione Italiana*

del Lavoro, UIL), historically close to Republican and Social-democrat political positions. These have homologous organisational structures based on separate sectoral federations operating at the national and local level under the umbrellas of confederations. The pluralism of Italian trade unionism is also characterised by several autonomous confederations.

Confindustria is the main association representing manufacturing and service companies in Italy; other important employers' associations are Confartigianato that organises artisans and small business owners, and Confcommercio, which is the Italian General Confederation of Enterprises, Professions and Self-Employment.

The Workers' Statute represents the primary source – a legislative' source – used to regulate all aspects inherent to trade union representation and its activity at the workplace level. Notably, in 1970, the Workers' Statute introduced the RSAs (*Rappresentanze Sindacali Aziendali*), elective bodies that represent the employees who are members of a specific trade union within a company. The tripartite agreement of July 23, 1993, between the government and social partners, known as the Giugni Protocol, re-designed the structure of collective bargaining and, among other things, introduced the Unitary Workplace Labour Representation (*Rappresentanze Sindacali Unitarie*, RSUs). These are 'unitary' bodies in the sense that all workers participate in the elections, regardless of their being union members or not. Furthermore, they are the fulcrum of the representation system, as they have, in accordance with collective agreements and the European Directive, the right to be informed and consulted on relevant company issues and bargain collectively on the workplace concerning issues indicated by the applicable industry-wide national collective agreement.

Importantly, the cross-industry collective agreements of 2011, 2013, and 2014 signed by Confindustria and CGIL, CISL and UIL changed their composition, opting for an open system. Indeed, they removed the reserve of one-third of delegates appointed by the trade unions that had signed the relevant industry-wide agreement. The 2014 agreement further renewed the regulatory framework. Besides the new workplace labour representation rules, it formalised the criteria for the measurement and certification of representativeness and specified collective bargaining procedures.

This agreement marked convergence between the private and public sectors – the latter being regulated by Legislative Decree 165/2001.

4.3. Worker participation in the Italian Constitution

The Italian Constitution states that private enterprises, along with the state and third-sector entities, contribute to society's material and spiritual development by creating employment opportunities. This principle is articulated in Articles 1, 4, 35, 36, 37, 41, and 46.

From Article 1 itself («Italy is a democratic Republic, founded on labour. Sovereignty belongs to the people, who exercise it in the forms and within the limits of the Constitution»), the idea emerges that labour serves as a bridge between a materialist view of the state – as a collection of territories, assets, and citizens – and a more humanistic perspective. Here, the state's role includes enhancing the value of the individual not only for their ability to produce, consume, and support public functioning but, above all, for their capacity to contribute to the society in which they live.

The legislators who ratified the Constitution in 1947 aimed to embed safeguards within the legal system to ensure the effective application of the social solidarity principles on which the entire Constitution is founded. Article 46 is significant in this context as it establishes workers' rights to participate in corporate management to achieve economic and social advancement in the workplace: «With a view to the economic and social elevation of labour and in harmony with the requirements of production, the Republic recognizes the right of workers to collaborate, in the manners and within the limits established by law, in the management of enterprises».

The involvement of workers in company management is justified by the fact that, under Italian law, work is not merely a means to secure a livelihood but a way to foster personal growth. Enterprises that create jobs must have the freedom to operate to generate profit and wealth, but they alone cannot ensure fair redistribution of that wealth. Therefore, Article 46 assigns workers the responsibility to contribute to the efficient functioning of the company while fostering a form of capitalism where the provider of financial resources cannot override the interests of individuals and society. Today, this approach could be seen as a social market economy model—a middle ground between a state-led economy and a free market governed by an 'invisible hand'.

4.4. Worker participation in specific statutory provisions and in collective bargaining

Despite these deep-rooted principles (or perhaps because of them), Article 46 of the Constitution has never been regulated by ordinary legislation, remaining largely aspirational. Nevertheless, various statutory and collective bargaining provisions establish rules for the involvement of worker representatives in company management decision-making, even without specific reference to Article 46.

In the Italian legal system, the legislative framework supporting worker participation in technological innovations is, for now, quite limited. This is largely due to the historical choice of the Italian system to primarily entrust collective bargaining with the task of realizing the constitutional right of workers to «collaborate in the management of enterprises» (Article 46 of the Constitution).

The legal framework is primarily based on the rights to information and consultation outlined in Legislative Decree No. 25/2007 (which transposed the Directive 2002/14/EC), which specifically address «business decisions [...] likely to lead to significant changes in the organisation of work» and «employment contracts» (Article 4, paragraph 3, letter c). The obligation for prior consultation with worker representatives, as mandated by this regulation, undoubtedly applies to any business decision concerning any innovation that significantly impacts the organisation or conditions of work. This obligation naturally includes the introduction of artificial intelligence systems.

In this regard, it is also worth mentioning Legislative Decree No. 104/2022, (transposition of EU Directive 2019/1152), providing workers and their representatives with information rights regarding automated decision-making or monitoring systems in the workplace. More specifically, the Decree imposes employers i) to inform workers and their representatives of the use of automated decision-making or monitoring systems «relevant for their recruitment, the management or termination of the employment relationship, the assignment of duties or tasks as well as indications incident to the supervision, evaluation, performance and fulfilment of contractual obligations», together with information regarding their exact functioning, purposes and level of security – before the establishment of the working relationship; ii) to inform workers and their representatives of any

variations in the use of those systems, at least 24 hours before the variation occurs; and ii) to provide access to workers' data to workers and their representatives on their request.

Also, Article 4 of the Workers' Statute sets forth that the introduction of technologies allowing an indirect monitoring of workers' activities in the workplace – possible only for organisational, productive and safety-related purposes, as well as for the protection of company assets – is conditional on the stipulation of a company-level collective agreement between individual employers and workers' representatives (except for those devices aimed at registering the access and presence of employees at work and for tools used to perform work). If the agreement is not reached, employers can only introduce those technologies after receiving authorisation by the Labour Inspectorate.

Procedures for consultation and information with trade unions are also required in cases of collective dismissals (Law No. 223/1991), company transfers (Article 47 of Law No. 428/1990), workplace health and safety (Law No. 626/1994, later replaced by Legislative Decree No. 81/2008) and business crises (Decree-Law No. 118/2021).

In the case of the closure of offices, branches or facilities, Law No. 234/2021 stipulates that if more than 50 employees are to be dismissed, a written notification must be sent to both company and local union representatives, as well as to the Ministry of Labour, the Ministry of Economic Development, and the public agency ANPAL (now called Sviluppo Lavoro Italia). This procedure aims to facilitate collective discussion of a plan to mitigate the employment impact and reach a collective agreement with worker representatives. However, if no agreement is achieved, the employer is permitted to proceed unilaterally.

As for the complementary role of collective bargaining, Legislative Decree No. 25/2007 entrusts collective agreements with the primary function of fully defining company-level systems of information and consultation (Article 1, paragraph 2). This is first applied at the sectoral level, where, for instance, the NCLA for the metalworking sector obligates employers with at least 50 employees to inform and consult RSUs and the signing territorial trade union organisations regarding «decisions likely to bring about significant changes in the organisation of work and employment contracts with reference to substantial modifications to the production system [...] that decisively impact the technologies adopted or the overall organisation of work [...] and significantly affect employment or have substantial consequences on working conditions» (Article 9 of Section I, "Industrial Relations System").

Article 9 of the NCLA specifically aims to implement Legislative Decree No. 25/2007 by structuring union information and consultation processes around annual periodic meetings to examine the economic and employment situation of the company (with an enhanced flow of information in production units with more than 150 employees). It also includes preliminary meetings concerning decisions likely to lead to significant changes in the organisation of work and employment contracts, with a particular focus on technological and organisational changes, as well as the outsourcing of phases of the production cycle. Joint assessments, which may be requested by unions within five days of receiving the information, are conducted at the relevant level of the company hierarchy, depending on the subject matter. These assessments can lead to the issuance of a formal opinion by union representatives, to which the employer is obliged to provide a reasoned response. The consultation process is considered complete after 15 days from the first meeting. However, this is far more prevalent at the company level, where industrial relations protocols often establish highly sophisticated participatory systems.

A similar provision is also found in Article 3 of the NCLA for the tertiary sector, which refers to Legislative Decree No. 25/2007. This decree mandates that companies with more than 50 employees hold annual meetings to inform and consult with RSA/RSU representatives on economic and employment conditions, as well as on business decisions that could lead to changes in work organization.

Moreover, there are some statutory provisions encouraging the direct participation of workers in company management.

Firstly, a tax relief is applied to performance-related pay schemes (amounting up to 800 euros), as long as they are regulated in decentralised collective agreements also envisaging forms and instruments for the 'equal involvement' of workers. This is outlined in Article 1, paragraph 189, of Law No. 208, dated December 28, 2015, and Article 4 of the Interministerial Decree dated March 25, 2016. Notably, Italian law mandates 'equal involvement' through a plan establishing, for instance, working groups that engage both company managers and employees, with the aim to enhance or innovate products and production processes, supported by ongoing consultation and monitoring structures. As already specified in Chapter 3, the conditions upon which these contributory incentives apply, have been specified in Circular No. 5/E of the Tax Agency, issued on March 29, 2018. It clarifies that worker participation should be formalised through an ad hoc 'Innovation Plan' designed by the employer or a bilateral labour-management committee, according to the indications provided in the decentralised collective agreement applied to the workplace. The Plan should report: i) the examination of the initial context, ii) the participatory actions and organisational schemes to be implemented and the related indicators, iii) the expected results in terms of improvement and innovation, and iv) the role played by the workplace labour representation body, if established.

Secondly, worker participation in the management of social enterprises is envisaged under Article 11 of Legislative Decree no. 112 of July 3, 2017, and the guidelines adopted through Ministerial Decree of September 7, 2021. Accordingly, all social enterprises must define suitable mechanisms in their statutes for informing, consulting, or involving workers in management. Forms of worker participation are defined by collective agreements signed by the most representative national trade unions.

Thirdly, a so-called 'work for equity' provision applies to start-ups, innovative SMEs, and business incubators (Articles 26 et seq., Decree Law No. 179 of October 18, 2012, converted with amendments into Law No. 221 of December 17, 2012). Notably, this allows start-ups to compensate their workers or collaborators with equity participation instruments (e.g., stock options).

Finally, it might be reasonable to expect an increasing focus on direct worker involvement also due to the adoption of both the Directive 2014/95/EU (Non-Financial Reporting Directive - NRFD), transposed in Italy by the Legislative Decree No. 254/2016, and the Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive - CSRD), transposed in Italy by Legislative Decree No. 125/2024. These legislative provisions require large companies to report on environmental, social, personnel-related, human rights, and active and passive anti-corruption issues. Importantly, with the Delegated Regulation (EU) 2023/2772 of 31 July 2023, the European Commission adopted the European Sustainability Reporting Standards (ESRS), produced by the European Financial Reporting Advisory Group (EFRAG), providing requirements as regards the content of the sustainability reports. And among these standards, two refer to workers (i.e., 'own workforce' (S1) and 'workers in the value chains'(S2)).

As already mentioned in Chapter 3, direct participation is poorly regulated through collective bargaining. An important exception at the national level is represented by the 2021 renewal of the main NCLA for the metalworking sector enabling companies and worker representatives, possibly assisted by sectoral trade unions, to sign a so-called 'Protocol on participation', where establishing and regulating advanced forms of worker participation in work organisation, i.e., through cross-functional work teams dedicated to specific productive and operational issues. Moreover, the renewal of the main NCLA for the textile industry, signed on November 11, 2024, introduces a protocol on worker participation in the belief that it is essential for adapting production systems, responding to market needs and improving productivity. Within this framework, a definition of direct participation is provided as encompassing methods for worker consultation on organisational and production matters. Importantly, the parties agree on general guidelines for implementing direct participation in work organisation. Actually, similar protocols were already introduced in the NCLAs for the toys industry (2021) and the leather and umbrella manufacturing industries (2023). Finally, in 2023, the second largest trade union confederation CISL has launched a popular bill on worker participation, now discussed in Parliament, whereby a specific chapter is dedicated to 'organisational participation', consisting of the possibility for joint labour-management committees at workplaces of defining innovation and improvement plans also entailing – though not explicitly mentioned – direct worker participation practices.

5. Case study development

5.1. Manufacturing sector

General introduction to the sector

The metal and mechanical engineering industry is Italy's champion in exports and innovation, serving as one of the cornerstones of the country's industrial growth. It is a globally recognised excellence across all its sectors:

1. Manufacture of basic metals
2. Manufacture of fabricated metal products, except machinery and equipment
3. Manufacture of computer, electronic and optical products
4. Manufacture of electrical equipment
5. Manufacture of machinery and equipment n.e.c.
6. Manufacture of motor vehicles, trailers and semi-trailers
7. Manufacture of other transport equipment[1].

To address the need to diversify production while retaining the advantages of large-scale manufacturing, an advanced sector of numerically controlled production and packaging systems has developed over the years. This has given rise to 'mechatronics', a synergy between mechanics and electronics. The new terminology has become so prevalent that the term mechatronic has replaced mechanic in secondary and tertiary education pathways.

Similarly, a novel connection between advanced mechanics and medicine is growing stronger, frequently referred to as 'biomedical engineering'.

The Italian metal and mechanical engineering industry (second in Europe for production and added value, and seventh globally) manufactures the full range of machines and equipment essential for all branches of the manufacturing sector, which transforms raw materials into finished products. Unlike major competitor nations, however, this excellence is supported by a structure that draws significant strength from the leading 'champions' of the industry - highly structured companies operating across many countries (Leonardo and its subsidiaries, Fincantieri, Stellantis formerly Fiat, Brembo, IMA, etc.) (Eurostat, 2024). Nonetheless, it is driven by thousands of highly competitive small and medium-sized enterprises, which are often geographically clustered based on their specialization (so-called industrial districts) (Fortis, 2018).

Workforce composition and its main characteristics

Based on data from the year 2023 obtained from the Observatory on employees in the private non-agricultural sector of the INPS (National Social Security Institute), which is derived from administrative records of monthly salary statements, we can outline the composition and key characteristics of workers in the metal and mechanical engineering industry. In particular, consistent with the previous section, we will focus on NACE sectors from C24 to C30 (Manufacture of basic metals - Manufacture of fabricated metal products, except machinery and equipment - Manufacture

[1] Classification NACE Rev. 2.1, code from C24 to C30.

of computer, electronic and optical products - Manufacture of electrical equipment - Manufacture of machinery and equipment n.e.c. - Manufacture of motor vehicles, trailers and semi-trailers - Manufacture of other transport equipment).

The metal and mechanical engineering industry employs 1,340,763 workers across all sectors considered. Among these, 1,069,091 are men, while only 271,672 are women. This indicates a significant gender disparity within the industry. This trend is consistent across each analysed sector.

Indeed, in the Manufacturing sector of basic metals, there are a total of 121,626 workers, comprising 106,795 men and 14,831 women. In the Manufacture of fabricated metal products, excluding machinery and equipment, there are 283,546 men and 54,718 women. The distribution is similar in the Manufacture of computer, electronic, and optical products, where there are 91,583 men and 38,372 women; in the Manufacture of electrical equipment, with 121,278 men and 51,953 women; and in the Manufacture of machinery and equipment n.e.c, which has 293,182 men and 69,233 women. Additionally, in the Manufacture of motor vehicles, trailers, and semi-trailers, there are 115,064 men and 31,157 women, while the *Manufacture of other transport equipment* includes 57,643 men and 11,408 women.

In terms of qualifications, the largest group of workers is blue-collar workers, totalling 802,916. This is followed by white-collar employees, with 416,865; supervisors, numbering 56,023; apprentices, totalling 45,549; managers, with 19,387; and a small number (23) in other roles. This ranking is consistent across all sectors, except for the Manufacture of computer, electronic, and optical products, where white-collar employees dominate.

It is also important to note that women are primarily employed as white-collar workers, accounting for 148,273 positions. However, in the sectors of Manufacturing electrical equipment and Manufacturing motor vehicles, trailers, and semi-trailers, blue-collar roles are more prevalent among women as well.

An analysis of contract types in the metal and mechanical engineering industry reveals interesting data. The majority of workers, totalling 1,232,733 are employed on permanent contracts. Following this, there are 107,229 fixed-term workers, while only 801 individuals hold seasonal contracts. This figure remains consistent across all sectors analysed. Additionally, no gender differences have been identified within these categories.

In examining the age distribution of workers across various sectors, the most significant demographic consists of individuals aged 30 to 49, totalling 649,271 workers. Following closely is the 50 to 64 age group, which comprises 469,940 workers. Notably, the largest subgroups within this data are the 50 to 54 age group, with 214,788 workers, and the 45 to 49 age group, which has 213,166 workers. In addition, there are 205,064 workers aged between 19 and 29. Finally, 16,488 individuals represent the population of workers over 65 years old.

In summary, the data indicates that the workforce of the metal mechanical engineering industry in Italy predominantly holds blue-collar jobs, is mostly male, typically has permanent contracts, and is primarily aged between 30 and 49 although a significant number also falls within the 49-54 age range.

Industrial relations

The coexistence of large and small enterprises (often within the same supply chain) is one of the factors explaining the industrial relations model active in this sector. Collective bargaining is organised on two levels: the national level, which is predominant and innovative (the NCLA for the metal and mechanical engineering and plant installation industries is arguably the most studied agreement in literature and significantly influences national bargaining due to the widespread replication of its provisions, despite not being the most widely applied NCLA in Italy), and the company level. Territorial bargaining is almost absent.

The industrial relations system in the metal and mechanical engineering sector is gradually evolving towards sustainable and participatory models to manage complex processes through a synergy between businesses and the workforce. This transformation is underpinned by the participation and involvement of all stakeholders: businesses, trade unions, and employer associations. In more detail, over the past decade, operators in the sector have increasingly called for rules and relations that provide certainty regarding the parties involved, the timing, and the content of collective bargaining. This includes adherence to agreed rules and their precise implementation.

To advance in this direction, a participatory system based on a robust bilateral framework has been strengthened through the establishment of the National bilateral body for the metal and mechanical engineering and plant installation sector. The collective agreement provides for the creation of a dedicated Commission, comprising six members from each party, tasked with defining the constitutive, organisational, and functional aspects of the National bilateral body. The Commission will also handle the necessary steps for the formal establishment of the entity, marking a significant innovation in this sector.

The Observatory will carry out its tasks by focusing on the following thematic areas:

1. Industrial development and the socio-economic situation of the mechanical engineering industry.
2. Development, analysis and monitoring of company-level agreements.
3. Participation systems in mechanical engineering companies in Italy and Europe, as well as European social dialogue.

Direct and representative worker participation in the sector

The contractual system in the metal mechanical engineering sector was among the first to regulate worker participation, albeit with a predominant (if not exclusive) focus on weaker forms of involvement in strategic matters.

At the national level, information obligations were established as early as the bargaining rounds of the 1970s (notably the 1976 contract), and, following Legislative Decree No. 25/2007, of European origin, consultation obligations were promptly introduced for employers with more than fifty employees.

More recently, a network of joint commissions and observatories has been established, tasked with monitoring, guidance, and analysis. The reference is to Article 9 of the NCLA for the metalworking sector, which governs information and consultation at the company level, and Article 3, which establishes, for example, an Advisory Participation Committee at the company level composed of three to six representatives from the company and an equal number of representatives from the

labour side. This committee is activated only in companies with at least 1,000 employees and is responsible for discussing matters related to the structure and trends of the markets in which the company operates, strategies, industrial structures, and employment trends, including issues related to hiring practices. Moreover, the NCLA provides for the establishment of further joint-labour management commissions at company level, e.g., on health and safety issues, equal opportunities and training.

In comparison, contractual provisions related to direct worker participation in work organisaton remain relatively marginal. However, as already mentioned in Chapters 3 and 4, with the 2021 renewal of the NCLA, an 'experimental' provision was introduced promoting the 'voluntary signing' of so-called 'Participation Protocols' at the company level. These protocols aim to foster shared processes and continuous interaction between workers across different professional levels, including through working groups aimed at the continuous improvement of operational processes and work organisation. Furthermore, the recently reformed classification and job ranking system has includes 'worker participation in work organisational improvement' among the criteria of professional competence outlined in the contractual declaratory structure. Following an analysis of company-level bargaining in the mechanical engineering sector (OCSEL, forthcoming), there are no significant cases or best practices observed in this regard.

This does not mean that there are no second-level agreements in the metal and mechanical engineering sector related to forms of organisational participation (e.g., consider the cases of Electrolux and Rold analyzed in this research). However, these agreements are often configured without explicit reference to the contractual framework, meaning they do not reflect the capacity of the central level to guide the content of company-level bargaining.

There is also a significant number of experiences of workers buyout, companies in crisis purchased by the workers themselves.

Of the total company-level agreements related to participation, 67% include forms of organisational participation, a higher number compared to those establishing strategic participation practices, which account for 54% of cases.

Lastly, cases of 'strong' organisational participation, where social partners share decision-making power, are limited to just 7% of the total (OCSEL, forthcoming).

Future prospects

The results of the 171st survey conducted by Federmeccanica (September 2024), the main employers' association for the sector, among a sample of member companies confirm the continuation of the challenging phase the sector has been enduring for many quarters. This is compounded by forecast indicators, which also remain negative in the short term, offering no signs of relief.

In the second quarter of 2024, the order book levels not only remained negative but showed further deterioration. By the end of June, only 26% of companies in the metal and mechanical engineering industry reported an increase in their order volumes (down from 30% at the end of March), while 34% experienced declines. The resulting balance of -8% represents a worsening from the previous figure of -3%.

Analysing the results by company size, small and medium-sized enterprises (with up to 500 employees) reported significantly more negative balances compared to the sector average.

The percentage of companies that consider the level of orders acquired during the quarter sufficient to ensure normal business operations stood at 29%. Conversely, 39% (up from 32% in the previous quarter) expressed negative assessments. The resulting balance of -10% represents a decline from the -6% recorded at the end of March 2024.

In the first six months of 2024, the declining trend observed in the order book levels is accompanied by a similar trend in finished product stocks. This divergence further supports the hypothesis that the negative production cycle has not yet come to an end.

Regarding the assessment of the companies' liquidity situation, the percentage of firms rating it as poor or very poor continues to rise: following 5% at the end of December 2023 and 6% in the subsequent quarter, it reached 7% in the second quarter.

orty percent of these companies expect to seek payment extensions, 13% anticipate difficulties in sourcing supplies, while 21% plan to reduce current production levels, and the remaining 26% are considering alternative solutions.

Regarding expectations for the coming months, while companies had shown some caution at the beginning of 2024, in the second quarter, prospects point to a worsening of production activity and a reduction in employment.

Regarding total production, 42% of surveyed companies expect to maintain their production volumes stable, while 26% (down from 28% at the end of March) anticipate an increase, compared to 32% (a significant rise from 21% previously) that foresee a decrease. The balance, which was +7% in the previous survey, has deteriorated significantly, turning negative at -6%. Regarding production destined for export, 55% of companies expect no changes, while 20% anticipate an increase in the proportion of production allocated to exports. In contrast, 25% (up from 18% at the end of March 2024) predict reductions.

In such a context, companies foresee negative impacts on employment levels. Employment trends over the next six months, following an improvement observed in the first three months of 2024, show a significant decline in the subsequent period. Although 71% of surveyed companies do not anticipate changes to their workforce, 15% (a decrease from the previous 20%) expect to increase their employee numbers, while 14% foresee reductions. The positive balance of +1% has significantly weakened compared to the +9% recorded in the previous survey published in March 2024.

5.1.1. Case study 1M

Company characteristics and state of innovation

Since 1984, the Solaro factory has been part of the Swedish multinational group Electrolux, which operates with seven production sites in Italy. This plant has focused on manufacturing dishwashers for various brands under the Electrolux umbrella for several decades. As the largest dishwasher production plant in Italy, it possesses extensive and proven expertise in this field. This experience has been crucial for successfully developing product and process innovations over the years.

In 2023, the Electrolux Italia Group achieved a turnover of over one billion euros (1,120 million euros) and employs approximately 4,500 people across its seven Italian sites. The Solaro factory produced 855,000 dishwashers in 2021, during the market peak of the Covid-19 period. This number fell to 587,000 in 2023 due to a negative post-Covid rebound, and production is expected to reach about 650,000 pieces in 2024. The factory's production capacity is actually larger, as it has previously reached peaks of 1 million units. In recent months, the market has experienced a further decline, prompting negotiations to address the production drop with available welfare support provisions. An agreement in principle was reached with the unions at the end of October 2024.

The plant had already navigated the crisis of 2008-2013 by implementing a partial reduction in staff and making new investments. The production cycle is divided into two main parts: the upstream part, involves highly automated and capital-intensive mechanical processing, which is responsible for producing the load-bearing skeleton of the dishwasher while in the downstream, the final assembly lines, labour intensive, the assembly of the components is completed. These lines maintain the architecture of traditional time-constrained assembly lines. They operate with a takt time of 90 pieces/hour and with cycle times of about 55 seconds.

In recent years, the Group has made the decision to redevelop its plants in Italy to facilitate the launch of new products and to effectively compete with non-EU manufacturers, particularly those from Asia and Turkey. At the Solaro plant, planned investments will focus on new automation technologies for mechanical processing and enhancements to the downstream assembly lines. The goal is to achieve a takt time of 108 pieces per hour while reducing the cycle time to approximately 35 seconds. The total investments for process and product innovation reached €26 million in 2023 and are expected to increase to €31 million in 2024.

From the perspective of the production system, the Electrolux Manufacturing System (EMS) has been implemented across the Group for about 20 years. This system is derived from the Toyota Production System and aligns with the initial or 'standard' lean model. The standard model is characterised by limited participation from technical staff while not extending to the workers directly involved in production. As stated in the latest Electrolux collective agreement of 23 April 2021, the following direct participation practices have been envisaged within the EMS: focused teams with workers involved in the same step of the production process, to monitor organisational efficiency and safety issues and propose improvements; workers' suggestions over executive and organisational issues possibly presented to their hierarchical superiors assessing their validity; problem-solving activities within cross-functional groups of workers; top-down information to all workers about improvement proposals and actions; workers training on the system of shop-floor management. However, in the opinion of the RSUs interviewed, «the practices were developed in a limited manner, with minimal worker involvement, initiated and controlled by management».

Workforce characteristics and labour relations

The workforce is now made up of about 640 permanent employees, of which about 120 technicians and factory staff employees and about 525 metalworkers involved in mechanical processing and assembly lines. The staff is relatively old, with many employees having a long tenure at the company. The turnover rate is very low, primarily affecting younger workers, and the average age of employees is over 45 years. On average, employees have about 15 years of service with the company. In the mechanical machining department, upstream, which is more automated, the operators are mainly men with higher qualifications and professionalism. In contrast, the final

assembly lines have a significant number of women, but the level of professionalism tends to be lower.

During the peak of the Covid-19 pandemic, around 140 temporary workers were hired, most of whom were much younger. However, only 12 of these workers – specifically in mechanical processing – were retained by the deadline. This was due to a decline in sales in the post-Covid period, which resulted in a significant reduction in production activities and the need to rely on welfare support provisions.

Industrial relations have a long history that dates back to the 1970s. They are characterised by a typical Italian contractual system, despite the 1990s experience with the introduction of joint technical committees and a labour-management supervisory board: a participative approach that has long been regarded as one of the most advanced at the company level. This approach, however, went into crisis in the 2000s. Each plant has a RSU that addresses local issues and participates in a group-level labour coordination structure. This coordination negotiates group-level collective agreements and supplementary contracts in collaboration with the national structures of the metalworking unions, namely FIM-CISL, FIOM-CGIL and UILM-UIL.

In recent years, a second-level collective agreement was signed in April 2021, along with several agreements for new factory investments. In October 2024, additional agreements are expected to be reached to reduce production activities due to the significant decline in sales following the Covid-19 pandemic. This may include measures such as a Redundancy Fund and Solidarity Contracts.

Currently, there are 11 members of RSU at the Solaro plant, and more than 80% of employees participate in their elections. Some RSUs are part of the national coordination. Approximately 35% of employees are union members, and the RSU members report they «feel very representative of the workers».

Electrolux Group has established a participatory model for over 20 years that emphasises representative participation through joint labour-management plant commissions. These commissions focus on various aspects of work, including health and safety, work organisation, gender issues, working hours, and part-time employment. The joint technical committee, known as CO.TE.PA, plays a crucial role in defining agreements related to work cycles, timings, saturation levels, and the overall micro-organisation of work. Recently, a “Consolidated Regulation on Industrial Relations and Organisational Participation” has been agreed with trade unions and worker representatives, linking the activities of the joint plant commissions with broader industrial relations goals.

Direct worker participation practices and the interplay with industrial relations

The episode of direct participation on line 2 is part of the application phase of an innovative investment plan initiated by the Group for Italian factories. Specifically, for the Solaro plant, the plan was negotiated during a contractual round in autumn 2022. The agreement was signed by the group labour coordination in December 2022 and subsequently presented to all Solaro workers for a referendum in January 2023. The proposal received approval from a significant majority of the workers, with 88% voting in favour.

The agreement was based on an initial preliminary technical design for the new assembly line 2. It aimed for an ambitious goal of increasing productivity from the previous 90 pieces per hour to 108 pieces per hour, representing an increase of approximately 25%. This project was designed to

implement various interventions, including automating certain activities and digitizing processes. It also involves adding new workstations. Key objectives include simplifying operations, reducing cycle times through task redistribution, and improving ergonomics. The organisational solution inherent in this technical model was historically based on fixed and stable workstations with limited rotation. According to company management, this initial technical project for the new product line (attached to the agreement) was developed collaboratively by the entire technical staff of the plant, utilising the technical expertise accumulated over decades of experience. However, during the negotiations, unions testified that there was a need in trade union and HR circles to involve workers more strongly in supporting the investment.

In fact, even if the Electrolux Manufacturing System (EMS) has aimed to involve workers in its objectives since 2008, according to the RSU and union leaders, «in practice this involvement was limited and conditioned by a hierarchical corporate culture».

In summary, it was deemed necessary to innovate traditional joint commission practices, which had previously involved only limited participation from technicians, by the direct involvement of workers in the new production line. In response to this need, the company management initiated an information campaign about the new production line, which included simulations of the workplaces (referred to a small pilot test).

The small pilot test, or the presentation of a proposal before the construction of the plants, is a significant innovation in the company's investment procedure. Historically, new plants were constructed without prior discussion; only after start-up would discussions with unions be initiated within joint commissions. The concept of the pilot test was suggested to plant management by two external consultants appointed to support the entire participation project with an impartial stance between both parties. Their role included providing suggestions on the change process as well as on training and communication activities. As a result of these reflections, a clause was also included in the collective agreement, setting a productivity target of 108 pieces per hour and introducing new forms of direct participation. The success of the referendum in January 2023 is considered by both the company and the unions to be «a success also linked to transparent communication with workers and the anticipation of technical aspects of innovation».

Specifically, the agreement provides for an experimental phase on a pilot assembly line as a preliminary step before extending it to the entire factory. The company believes that the success of the experimentation on Line 2 is necessary to extend investments to the other four assembly lines and to launch new products. Given these premises, the experimentation of Line 2 gains considerable importance for both the company and the union, as well as for the plant's future.

The "defreezing" phase *(April-October 2023)*

After the referendum approving the Agreement in January 2023 and with the goal of starting the new Line 2 in January 2024, the company, in agreement with the RSUs, initiates a participation project also focused on the organisational and management aspects of the new line. In particular, communication and training are essential to prepare people for change. To this end, external consultants suggest activating a preliminary training phase for RSUs and company technicians, aimed at opening a dialogue and establishing a common culture. This phase is called "defreezing" because it prepares people for a new way of participating in change through gradual involvement in the revision of the technical project. The defreezing phase includes joint training on participation for the RSU and technical staff before constructing the new lines. In previous decades, however,

plant construction was completed first, with designs known only to the technicians, and only then were the workers introduced to the new line during start-up.

The "design review" phase of the Technical Project *(November-December 2023)*
Once the defreezing phase is complete and construction of the new Line 2 begins, a revision phase of the technical project is initiated. This phase includes both the organisational participation of representatives and the direct participation of workers. A joint labour-management participation commission critically analyzes the project and decides on methods for direct involvement of all line workers, about 120 people. Unlike contractual commissions, this commission includes the entire RSU (11 members), the technical staff (about 15 technicians), and the Production Managers. Direct participation begins with a detailed presentation of the technical project to the workers. The goal is to enable a design review through suggestions for technical, organisational and ergonomic improvements. The technical project is first presented to all workers across the two shifts (about 60 people per shift and about 20 internal logistics workers, totalling 140 people) and then explored in small groups. In these homogeneous groups, ranging from 3 to 7 people, an in-depth and specific analysis of the technical project is conducted with the individuals who will work on that segment of the line. The analysis is carried out by the small group of workers, the Production Manager, and the technicians who designed that section. RSU members are present at almost all meetings.

People directly involved in small groups, discussing the future of their workplace, ask many questions and provide numerous suggestions immediately, proposing technical, ergonomic, and managerial changes (about 120, mainly ergonomic, suggestions). Some recommend a different allocation of tasks among workstations and frequent task rotation. These small verification meetings reveal a strong willingness to participate, with new solutions often shared directly with managers. The suggestions and decisions emerging from these meetings are of extraordinary importance, as they are made before the full construction and start-up of the lines. Management also finds most of the suggestions valid, adopts them, and take immediate action for technical implementation. This mutual listening triggers a virtuous and structured cycle of feedback that is richer and more effective than previous methods set by the EMS.

The most relevant outcome of this verification process is that a final questionnaire shows the majority of workers request rotation between nearby and similar workstations as an essential tool to achieve the 108 pieces per hour goal. This near-consensus, along with the RSUs' support, convinces management and the technical group to abandon traditional constraints on rotation and instead encourage it during the start-up phase. According to statements from the RSU and HR, «it is precisely in this phase that workers' direct participation is most crucial and impactful, particularly in making rotation on new workstations an accepted practice».

Running-in/start-up phases *(January-May 2024)*
When operations resume in January 2024, the systems for the new line are largely ready, many suggestions have already been applied (about 60%), and the start-up can focus on field learning for employees and technology development by suppliers and technical staff in the "running-in" phase. Learning has two dimensions: each person must adapt to new tasks (reduced in number), new technical equipment, and the new rhythm with a cycle time of about 35 seconds instead of 55 seconds. Additionally, everyone must learn to work in technically adjacent positions that allow for rotation (from 2 to 7 positions depending on the section). This second phase of learning involves

technicians and a master-apprentice mode in which one initially masters their traditional post and then learns on other rotating stations.

Simultaneously, the implementation of changes suggested in December is accelerated. New changes also arise from direct line experimentation, leading to a total of 246 modifications: of which, 153 relating to ergonomic, 23 cycle and 66 safety. The results of this technical-organisational commitment by management, workers and RSUs are remarkable.

Within three weeks, the production line, which starts with slower cycle times, begins to approach the target of 108 pieces per hour (see Figure 1). Production dips are usually caused only by technical issues. Additionally, the informal groups of 3-7 workers rotating every hour show increased cohesion and cooperation, which benefits both productivity and the workplace environment. In less than two months, the line stabilizes at 108 pieces per hour, a result that previously took 5-6 months to achieve under more challenging conditions. The consolidation of this objective parallels the company's capacity to implement workers' suggestions, totalling 246 reports, 94% of which were activated by late July. Notably, both organisational and direct participation continued even amid a sales decline and layoffs.

Overall impact of the practices and future prospects

With the development of the new line technologies, the consolidation of production at 108 pieces per hour, and the organisation of the work into self-managed rotation teams, the running-in phase concludes successfully. The joint labour-management commission collects and discusses key data on production ramp-up, line stoppages, suggestions, progress of solutions, rotation teams, technical interventions, and ergonomics. Rotation teams number 15 in the first shift and 13 in the second, involving up to about 84% of line staff. The joint participation commission decides to share this data with the two shifts on the new line 2 and gathers worker feedback through an anonymous survey, asking for a comparison between the traditional line and the new one on aspects such as work quality, fatigue, workstation configuration, rotation teams, and technologies. The survey reflects a strong preference for the new 108 line, which is seen as less tiring than the 90-piece line, and for the new working method (Figure 2). Most workers also appreciate the new forms of participation and hope they will be maintained (Figure 3).

An important result pertains to workplace ergonomics, a priority for workers with high personal and company seniority and low turnover. Many have worked on assembly lines for decades and experience physical strain.

The OCRA method for ergonomic workplace assessment, agreed upon by all parties, showed that traditional lines had many positions with physical risks (acceptable risk in only 42% of workstations, very low 46%, low 11% medium 1%). OCRA evaluations carried out by an external body on the new line show significant improvements (acceptable in 69% of workstations, very low at 27%, low at 4%, medium eliminated). These evaluations were based on employees occupying the same post for a full 8-hour shift, though 84% of workers requested and practiced self-managed rotations every hour, significantly lowering all OCRA indices due to diverse limb movements required by the different workstations.

In summary, the impact of direct participation can be encapsulated in three main points:

- In regard to the company’s objectives, the representatives from plant management reported that: «Direct participation not only enabled a swifts and efficient increase in productivity

(108 pieces/hour) and consolidated the technological investment, but it also demonstrated that integrating new technologies with new organisational forms can yield significant productivity gains» even in traditional, high cost contexts producing "mature" products like household appliances.

- As for working conditions, according to the external trade union leader: direct participation not only enhanced work quality in terms of ergonomics and fatigue through suggestions, but «it also expanded workers' autonomy and social connections» through self-managed rotation teams, increasing workers' versatility and skills. Participation has cultivated awareness, responsibility, and an entrepreneurial culture. RSU members observe «workers' attitude on line 2 has shifted towards greater responsibility and proactive engagement with labour issues».
- Regarding Industrial relations: A significant improvement in the company climate has been achieved. A new form of participation has been piloted through the joint participation commission, and it has demonstrated that «a new model of industrial relations can be envisioned, linking collective bargaining over industrial plans with organisational and direct participation of workers in production sites », as stated by the external trade union leader.

Regarding the outlook, the RSU members express the most critical view, fearing that «once line 2's start-up is complete, management may revert to hierarchical practices and side-line the RSU and workers, especially amid the current market downturn. This experience's positive lessons may be forgotten».

- External trade union leaders signing agreements with the company, however, highlight «the importance of linking a major agreement to an ambitious investment plan for the sector's industrial future through innovative forms of direct and organizational participation». A trade union representative participating in the national workshop of January 23, 2025 interestingly highlighted that his/her organisation has not been able to effectively communicate the value of the agreement and translate it into an increase in trade union density rates.
- Plant management believes the project's success could inspire «future investment models and contribute to more participatory, less confrontational industrial relations», hoping for an evolution of the lean model toward a more collaborative production system with increased dialogue among technical staff, RSU members, and workers.

Summary of the case study

Our case study concerns a manufacturing company and, in particular, examines a significant experience of direct worker participation at an Electrolux factory in Solaro (Monza - Lombardy), where dishwashers are manufactured.

In 2022, the management of the international Electrolux group planned a significant investment in the Solaro factory, including technological innovations in both the upstream sheet metal processing plants and the final assembly lines. The goal is the launch of new digitised products, volume growth and a leap in productivity. The collective negotiations were lengthy and ended with the agreement of January 2023 approved by referendum, which paved the way for the investment. This agreement aimed to achieve a substantial increase in hourly productivity on the new lines, from 90 to 108 pieces per hour. It also included plans to expand the workforce through new hires, as well as the development of training programs and initiatives for worker participation. The implementation

phase of the new lines and the application of the agreement was overseen by a steering committee involving all the RSU members and company managers. This setup activated the direct participation of the workers on the new line (about 120 workers).

Participation developed along three key lines: 1) Information and preliminary training on the new equipment; 2) Workers' suggestions for improving the company project, focusing on safety, fatigue, quality, and productivity; 3) Creation of self-managed, multi-purpose rotation groups that ensure the sustainability of the new cycle time; these groups manage their own rotations every hour and engage in mutual training for the new jobs on which they rotate.

Some difficulties emerged after the Covid-19 pandemic, due to a decline in production activity and the use of social shock absorbers. This situation is still causing significant concerns among the worker representatives, who have noted certain attitudes from the company that raise fears about a regression in the participation processes that were previously put in place.

Overall, though, the impact of direct participation practices at Electrolux (Solaro) is significant and can be summarised in three main points:

1. Regarding Company Objectives:

   - Direct participation enabled the company to quickly achieve the targeted productivity thereby solidifying its technological investments.

   - It demonstrated that integrating new technologies and organisational structures can lead to substantial productivity gains, even in traditional settings, high-cost environments, and in industries regarded as 'mature,' such as household appliances.

2. Concerning Working Conditions:

   - Direct participation resulted in marked improvements in work quality, particularly in terms of ergonomics and reduced fatigue.

   - It significantly enhanced workers' autonomy, versatility, professional skills, social interaction, and sense of responsibility.

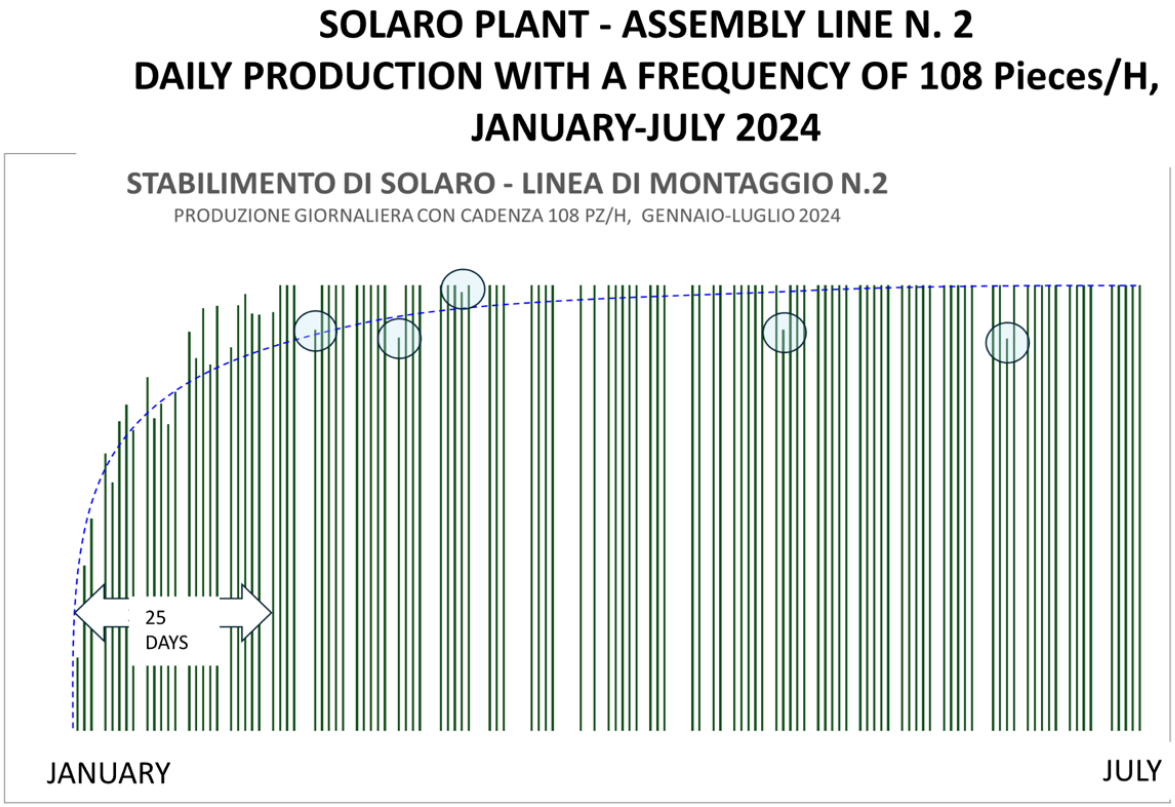
3. With respect to industrial relations:

   - There was a considerable improvement in the company climate.

   - A new participatory model was tested through the establishment of a joint labour-management 'participation' commission.

   - This approach illustrated the potential for a new industrial relations model that effectively combines collective bargaining on industrial plans at central/corporate level, with organisational participation and direct involvement of workers at production sites.

Figure 2. Production rise



Production reached a stable rate of 108 pieces per hour after the first 25 days, with productivity dips attributed to technical issues.

Figure 3. Workers' opinion, Comparison between cycles, before and after

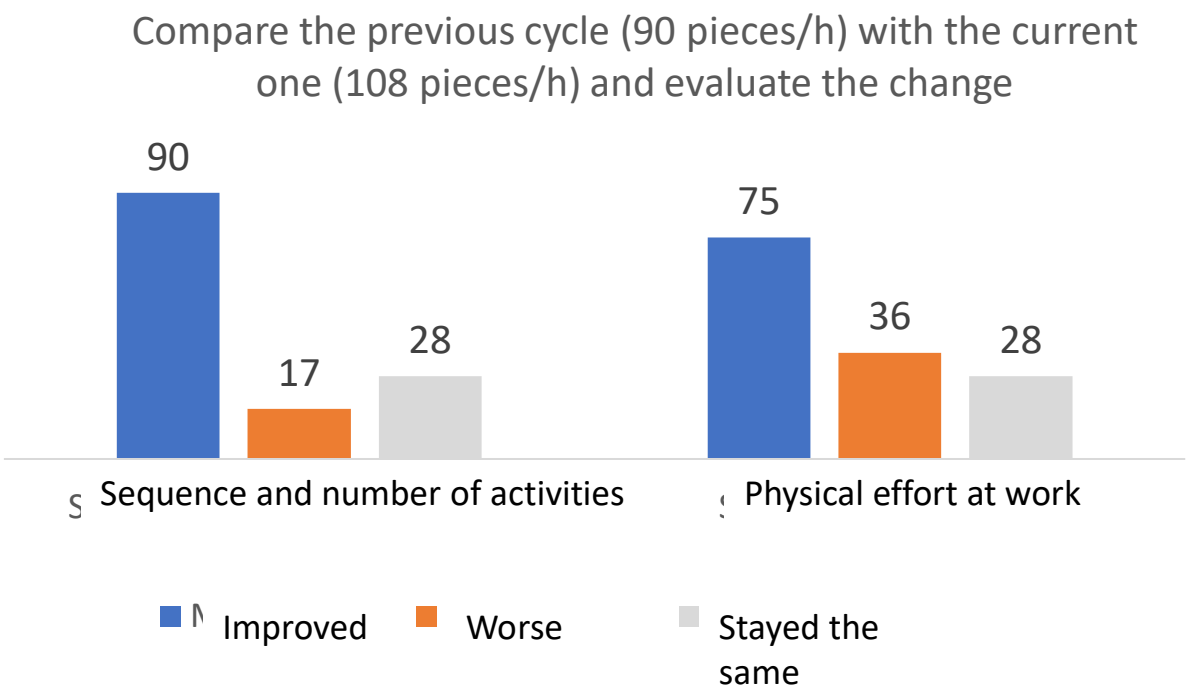
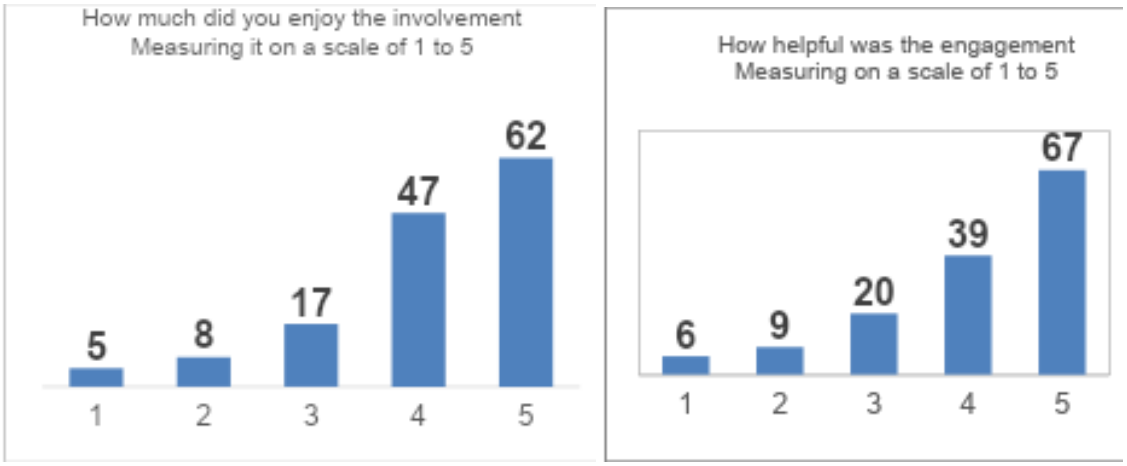


Figure 4. Workers' opinion: Evaluation of direct participation



Company characteristics	**Company context.** Case 1M is the large Italian plant of a foreign multinational group, which has been producing medium and high-end dishwashers for 50 years.
	State of innovation. At the analysed plant, Industry 4.0 innovations have been implemented in mechanical processing (upstream phases) and internal logistics. Planned investments focus on new automation technologies for mechanical processing and enhancements to the downstream assembly lines through advanced systems incl. robotic arms, collaborative robots, etc. At the plant a shop-floor management system, derived from the Toyota Production System, is implemented and aligned with the initial or 'standard' lean model. The standard

	model is characterised by limited participation from technical staff while not extending to the workers directly involved in production.
Industrial relations	**Trade union density rate at the company level.** 35%. All the major sectoral trade unions, FIM-CISL, FIOM-CGIL and UILM-UIL, have members in the plant.
	Workplace labour representation structure characteristics. The plant is covered by a RSU composed of 11 members.
	Company-level collective bargaining. Industrial relations have a long history that dates back to the 1970s. Each plant has a RSU that addresses local issues and participates in a group-level labour coordination structure. This structure negotiates central/group-level collective agreements in collaboration with the national trade unions. The group has established a participatory model in Italy for over 20 years that emphasises representative participation through joint labour-management commissions at plant level. These commissions focus on various aspects of work (e.g., health and safety, work organisation, gender issues, working hours, and part-time employment).
Direct worker participation	**Direct participation as the subject of organisational tools**. Within the framework of the shop-floor management system: 1) Focused teams to monitor organisational efficiency and safety and propose improvements; 2) Workers' suggestions over executive and organisational issues possibly presented to their hierarchical superiors assessing their validity; 3) Problem-solving activities within cross-functional groups of workers; 4) Top-down information to all workers about improvement proposals and actions; 5) Workers training on the system of shop-floor management.
	Direct participation as a vehicle for workplace innovation A participatory innovation project was initiated by management in the beginning of 2023 in agreement with the RSU members and thanks to the expertise of two external consultants. It entailed firstly, 1) training addressed to both the RSU and the technical staff involved in the planning of the innovation project, and later 2) the redefinition and final approval of the innovation project by a joint labour-management commission (composed of both RSU members, technical staff and production managers). The same commission decided over further direct participation practices, like 3) information about the project to all workers involved, followed by 4) in-depth analysis of the project within small groups of workers. In these groups, workers formulated suggestions for improvement and most of them supported the idea to implement rotation between adjacent workstations. Many of these suggestions were immediately incorporated by management in the start-up phase of the innovation project, where indeed 5) self-managed rotation teams were tested. That phase was moreover monitored and assessed by the joint labour-management commission. A 6) survey was launched to gather workers' feedback on the new work organisation.
The role of industrial relations in direct worker participation	The latest company-level collective agreement (signed in 2021) listed a series of direct participation practices, though unilaterally designed and implemented by management. By contrast, within the framework of a specific innovation project (aimed at simplifying operations, reducing cycle times through task redistribution, and improving ergonomics), and thanks to support of two external experts, the RSU members took part in a joint labour-management commission which designed the final technical project and decided over specific direct participation practices

	aimed at enabling the change. RSU members moreover attended the meetings of small groups of workers aimed at analysing the technical project and providing ideas for improvement. Finally, the commission also monitored and assessed the start-up phase of the project, entailing the testing of self-managed rotation teams.
	Model of integration b/w direct participation and industrial relations Mainly democratic (participatory) model since worker representatives, with the support of two external experts, managed to contribute to the planning, implementation and monitoring of a reorganisation project and related direct participation practices. However, this kind of procedures never occurred before.
	Breadth and depth of participation Worker participation in Case 1M boasts a good degree of breadth and depth. As regards the depth, both industrial relations and direct participation are well developed throughout the company and its sites and cover various issues. As regards the breadth, some participation practices are linked with one another, since, for instance, workers in small groups proposed to implement self-managed rotation teams and the commission composed of RSU members, technicians and managers was charged of defining direct participation practices and monitoring them. Overall, direct participation practices have been implemented also in coordination with worker representatives, who have contributed to their definition (within the framework of broader innovation project) and monitored their implementation.
Difficulties	1) A traditional culture relying on hierarchical management and top-down innovation; 2) Traditional, contractual approach to industrial relations
Impacts	1) Direct participation enabled the company to quickly achieve the targeted productivity thereby solidifying its technological investments; 2) Direct participation resulted in marked improvements in work quality, particularly in terms of ergonomics and reduced fatigue; it significantly enhanced workers' autonomy, versatility, professional skills, social interaction, and sense of responsibility; 3) There was a considerable improvement in the company climate; a new participatory model was tested through the establishment of a joint labour-management 'participation' commission.
Future prospects	The RSU members fear that management may revert to hierarchical practices and side-line the RSU and workers, especially amid the current market downturn. External trade union leaders highlight the importance of linking a major agreement to an ambitious investment plan for the sector's industrial future through innovative forms of direct and organisational participation. Plant management believes the project's success could inspire future investment models and contribute to more participatory, less confrontational industrial relations. Overall, both the company and the RSU members plan to continue in a way that will be defined later, aiming to find a win-win solution

5.1.2. Case study 2M

Company characteristics and state of innovation

Case 2M is an Italian family-owned company, established in the upper Milan area with production sites in Nerviano, Pogliano Milanese e Cerro Maggiore, over 60 years ago, specialising in the production of components for household appliances, particularly within the washing machine sector. The company adopts a vertically integrated production model, with most components manufactured in-house, from metal stamping and plastic molding to the final assembly. Its core products include safety systems for washing machines and program selectors. Operating exclusively in the B2B market, the firm collaborates with major international brands. Approximately 80% of its production is exported globally, supported by a subsidiary in Shanghai and a dedicated assembly facility in Serbia. The company continues to innovate, expanding its product range to include components for dishwashers and other appliances, with ongoing development in key technological areas.

Case 2M demonstrates a comprehensive approach to innovation spanning technological, cultural, and organisational aspects (which will be investigated in the next section), also motivated by the high standards required by the big brands with which the company has business relations. On the technological front, the company invests significantly in advanced machinery, including robotic systems, and revamping of existing facilities, with 90% of production processes being automated. In line with what asserted above, Case 2M has developed a research centre to explore cutting-edge innovations which collaborates with universities and focuses on new technological solutions, fostering cross-disciplinary innovation. Beyond technology, innovation at the company extends to the creation of their Academy, launched in 2020. This initiative supports the company's commitment to employee training and development, with a focus on sustainability, digitalisation, and well-being. The Academy offers both physical and virtual spaces for learning and aims to enhance not only technical skills but also cultural awareness, particularly concerning ESG (Environmental, Social, and Governance) principles. The location of the research centre and the Academy is also of particular interest: they are both situated in the MIND innovation district derived from the area where the EXPO exhibition took place in 2015 in Milan, confirming the embeddedness of the firm with the most innovative players at the local level.

Workforce characteristics

Case 2M employs a total of 229 individuals, with an average employee age of 47 years. The workforce predominantly consists of blue-collar workers, totaling 146, while there are 72 white-collar employees, 4 apprentices, 4 managers, and 3 executives. Blue collars are mainly warehouse workers, maintenance technicians, and assembly, pressing and cutting operators. White collars are mostly supervisors, engineers and department heads. Among blue collars, men are almost twice as women (96 compared to 50). A similar situation applies to white collars, among whom there are 22 women and 54 men. Only 1 out of 7 managers and executives is a woman. The vast majority of workers (around 221) are employed with an open-ended contract, while less than 10 workers are agency-based. The turnover rate amounts to 18%.

Industrial relations

The company applies the NCLA signed by the trade union federations FIM-CISL, FIOM-CGIL and UILM-UIL and the employers' associations Federmeccanica and Assistal (latest renewal on February 5, 2021), while executives are covered by the NCLA signed by the trade union Federmanager and the employers' confederation Confindustria (latest renewal on July 30, 2019). The representation of workers has been essentially through FIM-CISL for at least the past 20 years, with a unitary workplace labour representation (RSU) established as early as the 2000s, and today composed of seven members. The current unionisation rate is approximately 10-15%, showing a positive trend in growth over time. Despite this low rate, worker participation in union activities is notably high, with engagement rates for assemblies and elections of worker representatives reaching 80-90%. Regarding union rights and leaves, the company complies with the NCLA regulations and has not encountered significant requests for additional prerogatives. The FIM-CISL representative who assists the company notes that the overall atmosphere is constructive. In the same vein, the management team also reports a positive industrial relations climate, characterised by openness and sincerity during discussions.

> «I have been with the company for nine years, and I've never experienced or sensed a hostile atmosphere. It's simply not part of our culture. Of course, on some issues, everyone defends their own views, but I have to say I really enjoy union meetings because the discussions are sincere. I never feel like I need to be cautious because there's a hidden agenda. There's a strong sense of trust and responsibility towards the topics discussed, and a commitment to follow through on the actions we agree on» (HR Manager)

Key areas of labour-management discussion include organisational work processes, innovation and participatory strategies, particularly related to performance-related bonuses and bilateral working groups, as well as occupational health and safety and welfare. Training and development are also prioritised, with the company boasting its own Academy to address employee training needs, by actively listening to employees' suggestions. In this field, though, the worker representatives interviewed denote a lack of constancy on the part of management in consulting them.

An additional confirmation of the favourable industrial relations climate is the renewal on July 8, 2024, of the company-level collective agreement between the company, supported by the local employers' association Assolombarda, and the RSU, assisted by the local branch of FIM-CISL. The agreement, which includes an *Innovation Plan* drafted on June 20 by the company and approved by the RSU, builds upon and evolves a process first initiated in 2019. That year marked the first time in which at Case 2M an organisational and technological innovation project was tied to the disbursement of a performance-related bonus and accompanied by a range of direct worker participation initiatives, coordinated by a joint labour-management commission. Having achieved the goals set in that initial phase and overcome the economic challenges caused by the impact of the Covid-19 pandemic, the company has developed a new three-year Innovation Plan, aimed at revising key business processes and integrating a new software system to connect different areas of production. To this end, the Plan, developed in accordance with the guidelines of the Italian Tax Agency on direct employee involvement[2], outlines a series of initiatives aimed at facilitating this significant change from both an organisational and HRM perspective. Specifically, leveraging the

[2] For more information, see par. 3.1.1. of this report.

educational projects and offer of the company Academy, the 2024 training plan outlines key directions focused on both digital and soft skills development. This includes the organisation of seminars and workshops on digitalisation in the workplace, as well as focus groups to address potential challenges on the production line. Worker engagement is further supported through various initiatives, such as the use of whiteboards installed along production lines to collect improvement proposals from workers, and the enhanced role of team leaders within departments. The 2024 agreement introduces a significant innovation in the structure of the joint labour-management commission, initially established in 2019 and comprising representatives from both company management and the workforce. This commission is responsible for identifying, proposing, and monitoring objectives for improvement and is now organised into five working groups, each focused on one of the following areas: organisational efficiency, quality, safety and environment, welfare, and sustainability. Each group includes selected members from the RSU and management alongside company personnel with specialised expertise in the relevant topics. Two working groups are specifically assigned to enhance three of the five performance indicators associated with the productivity bonus: OEE (Overall Equipment Efficiency), quality-related costs (non-compliance), and waste reduction. The fifth indicator, however, is associated with the advancement of the process of integrating the new software system and optimising business and production dynamics. Economically, the revised bonus scheme provides a maximum gross amount of 2,200 euros for 2024, 2,300 euros for 2025, and 2,400 euros for 2026. Additionally, flexible benefits will be distributed, valued at 80 euros, 100 euros, and 120 euros over the three years of the agreement, respectively.

By and large, as also seen in the 2019 agreement, the recent renewal of the collective agreement reflects Case 2M broader strategy of continuous innovation, employee involvement, and a strong relationship with worker representatives. As the FIM-CISL representative states:

> «During both the previous and the current agreement negotiations, a significant part of the discussion focused on work organisation and participatory practices. Whether we talked about performance-related bonuses or implemented innovative initiatives like working groups and mechanisms to increase worker participation, I noticed fertile ground here for discussing organisational logics and approaches. For us, this is strategically important. The company's openness to address work organisation – a traditionally sensitive topic for Italian companies – combined with the work done with worker representatives (RSU) to understand the traditions and approaches within departments and offices, led to a level of organisational depth I had rarely experienced before» (Trade union official)

Labour regulation

Labour regulation at the company relies on NCLAs and company-level collective bargaining (as regards i.e., performance-related pay, welfare, direct participation), as well as HR policies (as for e.g., worker training, smart working). Even the latter, though, are found to be largely shared with workers and their representatives.

> «Both the training plan and the sustainability report were documents that were both presented and discussed at the union assembly. There was in fact a willingness on the part of the company to talk directly with the workforce about these issues, and we chose the union assembly together as the place to discuss them. (…) The smart working regulation is not an agreement but a company policy, but we did it together» (Trade union official)

As for some issues such as health and safety, both collective bargaining and HRM intervene.

Direct worker participation practices

The company's approach to direct worker participation encompasses a range of initiatives aimed at fostering employee engagement and enhancing operational efficiency. First, with training and consultative purposes, the company has implemented a series of workshops focusing on key projects on areas like digitalisation, sustainability and psychological wellbeing. These workshops are not merely training sessions; for instance, when addressing digitalisation, they have been designed to assess workers' proficiency with new technologies and gather feedback on their experiences.

> «They *[the workshops]* were aimed at a collective work, i.e., we gathered teams of operators or white-collars (that could not know each other because possibly working in different departments), so as that they could work together on a common project even if only for half an hour or 45 minutes, but at least to come up with a couple of ideas. So, they were attempts to get the whole population involved in a cross-functional way». (worker representative)

Secondly, focus groups are conducted primarily on the production line to address quality control and product integrity. These sessions serve dual purposes: they act as a monitoring mechanism for production standards and provide a platform for workers to express their concerns regarding quality issues. However, a worker representative interviewed notes that the focus groups have mostly involved senior staff. Thirdly, as also explained above, the company has recently developed five working groups, each one composed of some of the members of the joint committee (consisting of a balanced representation of RSU members and company managers), as well as workers with specialised expertise on the specific topic addressed. While the working groups themselves are permanent, the company promotes inclusivity by allowing, on a voluntary basis and with the aim of ensuring rotation, three additional workers from each production site to attend and provide input during meetings. In this regard, a worker representative interviewed fears that the fact that working groups' meetings are held outside working hours may discourage workers from joining. However, during the workshop held on January 2025, both company and worker representatives emphasised the important change from a system whereby if a worker had an idea or a problem as regards work organisation, she would have had to report it to the RSU, who could then bring it to the joint committee, to a more 'direct' model that allows the worker to present her idea by asking to attend specific working groups' meetings. Moreover, the working groups are required to report quarterly to the full joint labour-management committee on the progress of their assigned tasks. At the end of each year, the joint committee is expected to organise a meeting to share the results achieved with the entire workforce, as part of the Innovation Plan's implementation. As a fourth direct worker participation practice, suggestion schemes from employees, typically by means of Kaizen boards, are now integrated into the working groups' agenda. Although the boards will remain in use, suggestions can now be communicated directly by the operators to the department heads or the team leaders (where available), while the working groups are tasked with reviewing and acting on these suggestions, ensuring a formal structure for employee input to be translated into actionable initiatives.

With specific reference to work organisation and lean methods, their implementation dates back to several years ago with Kanban boards to visualise and improve work, job rotation schemes to breakdown hierarchies, workers' participation in visits to foreign suppliers of technological equipment to be deployed in the company, etc. Lean practices progressively became more and more structured also by hiring a lean manager. Today, on production lines, there are structured work teams, operating with a certain degree of autonomy in executing their tasks though reporting to department heads or team leaders for any problems or proposals for improvement. Team leaders were introduced by management in 2020 as an intermediate figure between the department head and the operators, to deal with improvements in issues like organisational efficiency and ergonomics over teams of around 20 workers. Team leaders had to update department heads during regular meetings, seeking assistance as needed or independently resolving problems. However, they initially struggled to establish credibility and authority among workers. According to a worker representative interviewed, this was also due to the lack of sufficient psychological support and time to connect with the various workers and gather their views and opinions, although a training course was provided to all team leaders at the beginning of the process. As a result, the number of team leaders has significantly reduced, as reported by a RSU member, leaving the management with very few people to count on for the reporting of problems and improvements. However, the management has made significant efforts over time to strengthen the legitimacy of team leaders. In 2024, with the renewal of the company-level agreement, team leaders were formally integrated into the working groups, further aligning their activities with organisational goals. As the HR manager reports:

> «The experience I gained from team leaders provided me with a new perspective, allowing me to hear from individuals who expressed their thoughts differently. It was no longer just the managers sharing their vision of the company, but also colleagues [*the team leaders*]. They navigated complex situations and faced obstacles; they didn't always have an easy time, but they did an excellent job» (HR Manager)

An additional mechanism employed by the company to promote direct worker participation is the use of surveys. These surveys are conducted on a variety of topics to collect broader employee feedback, acknowledging that not all workers engage directly with RSU members. For instance, a recent survey was carried out as part of the Well-being Project. Similar surveys have also been conducted on themes such as mobility and welfare, allowing the company to capture diverse perspectives and better inform its initiatives.

Moreover, as regards innovation projects, inputs are collected from different channels, such as meetings with team leaders and department heads, who in turn are expected to detect problems and improvement suggestions by talking with the members of their teams or units. The final decision to run a project is up to the management, although information and training activities are usually carried out to both workers and their representatives before and during the implementation of the project.

Finally, workers' individual autonomy in the organisation of their tasks turns out to depend on the specific work performed and the department where they are employed. Workers involved in the Administration unit are therefore considered as quite autonomous in the management of their tasks and are allowed to work outside the company premises up to two days per week.

The interplay between direct participation and industrial relations

On account of the agreements signed in 2019 and 2024, industrial relations play a crucial role in shaping and implementing direct worker participation schemes within the company studied. A crucial factor for this positive interplay is, according to the trade unionist, the presence of an HR Manager open to organisational innovation and receptive to contributions from worker representatives. The impetus to formalise existing practices of worker engagement within a collective agreement arose from a seminar organised in 2018 by the local employers' association Assolombarda, of which the company is a member, focusing on worker participation and the associated contributory incentives. The seminar, attended by both trade unionists and company managers, convinced the company to formally document its existing participatory practices.

«And when we attended the meeting in Assolombarda, I thought: 'But we already do this stuff in part. So, you are telling me that I can have an extra incentive? I just have to put down on paper what we do? Yes of course, I have to write an innovation plan, which is a bit of a slog, but can I then get an economic advantage for the employees? Then we do it, so people can see that extra economic quid from these practices'» (HR Manager)

According to the interviewed trade union representative, such participation is seen as a strategic asset, enabling companies to more effectively engage their workforce, retain talent, and remain competitive in the labour market. The trade unionist emphasises that direct participation aligns with a central objective of labour representation: promoting the personal empowerment of workers. This empowerment extends beyond economic gains, aiming to enhance workers' sense of belonging and fulfilment within the organisation. This interest alignment surrounding direct participation led the trade union to take the opportunity (and the challenge) to become an organisational partner of the company. In this partnership, the union would serve as a bridge between the company's strategic goals and the workforce's practical concerns and aspirations, enabling labour representatives to favour, accompany and oversee the organisational change.

«The challenge for the union was to wonder how it could become an organisational partner in this initiative by contributing with its unique perspective: one the company would otherwise lack, since unions serve as a 'translator' of the workforce's views in ways no survey could replicate with the same depth and efficiency. (…) In my view, the union still holds a unique advantage: it has privileged insight into the company. Workplace labour representatives, along with union representatives, maintain continuous monitoring and speak a language that workers trust and identify with. This kind of interaction is unlikely to be granted by workers to the company directly, as it requires extensive and ongoing work. This dynamic offers added value for the company, which can better understand how its vision resonates with the workforce» (Trade union official)

The two RSU members interviewed are in favour of promoting direct participation, particularly as they believe it can be a way of fostering responsibility and awareness, which in turn promotes a better working environment for all. According to the trade unionist interviewed, the major contribution provided by worker representatives occurs during the implementation phase of participation practices, primarily by helping workers understand the significance of these initiatives, underlining the company's commitment to mutual benefits. RSU members are regarded as

fundamental to sensitise and activate workers once overcome their resistance. Moreover, given the risk of disappointment among workers if the desired results are not achieved, another important contribution of worker representatives, according to the trade unionist, occurs in the management and monitoring phase of the participatory process. In this sense, it is indeed important to remind people of what has been done, the benefits they have obtained, despite the fact that tangible economic results may not have arrived immediately. By contrast, the role of worker representatives in the design of participatory innovation paths turns out to be weaker mainly due to the lack of specific competences. The 2024 reorganisation of the bilateral commission into five different working groups, each focusing on precise themes, would respond also to this problem, thus enabling a more knowledgeable membership on the labour side, also thanks to the possibility granted to workers with an expertise on the topic of participating in the meetings.

> «One of the reasons why we wanted to change the structure of the joint commission somewhat in this agreement was also the imbalance in its composition. In fact, it is a commission that calls itself joint, but where one half of the members already deal during the working day with issues such as innovation, suggestions, and all that pertains to the commission's task, while the other half is made up of worker representatives who lend their free time to something that does not belong to them and that they do not know. (…) This generates a bit of an imbalance at the start. The delegates *[workplace labour representatives]* told me clearly: 'The commission is a strategic place that we like, but we have the feeling that we play a bit on two different levels, where perhaps the talents that the company has chosen have a level of proposal, of language and arrive already prepared for the commission meetings, while we start a bit behind'. The logic that led us, for example, to the conception of the working groups was precisely to try to disarticulate the plenary committee, which was a bit rigid, and to try to make the delegates and workers more protagonists, hence the idea of calling in workers who have nothing to do with union representation but who know the issues to be discussed. The bet of this agreement on participation is precisely to try to improve the quality especially on the workers' side» (Trade union official)

Beyond the lack of competences, a worker representative interviewed complains about the scarcity of time available to really make an impact on certain business processes and dynamics, which are then the subject of working groups' meetings and also related to the amount of the performance bonus.

Finally, from the company's perspective, this partnership is valuable for obtaining real-time feedback on employee perceptions of company initiatives, enabling HR and management to fine-tune strategies to better address workers' needs and enhance engagement. In this way, the union's active participation in organisational processes helps bridge the gap between management's strategic goals and the practical realities of daily operations on the shop floor, ultimately leading to greater acceptance and engagement in company initiatives regarding direct participation.

Overall impact of the practices and future prospects

The interviews reveal that the primary challenge to fostering direct worker participation within the company lies in employees' lack of motivation to engage in these practices. This hesitation does not stem from a resistance to adaptation but rather from the caution to disrupt established routines and norms, which makes workers suspicious about embracing change. However, recognising this area for improvement, both the company and worker representatives have started developing a

shared language to help employees better understand the value of direct involvement. This effort has required greater openness to employee needs and a stronger commitment to listening, with the ultimate goal of instilling a sense of pride in these participatory practices. Thanks to substantial efforts, interviewees now acknowledge that progress has been made, with employees showing increasing interest in these new company initiatives. As emphasised by the FIM-CISL representative:

«When I worked with RSU members to prepare for meetings with management, I observed a deep passion for work organisation. Their dedication and love for machinery and production processes are evident. I have to say that, after two collective agreements and seven or eight years of persistence, I am beginning to see some results - both in the quality of the assemblies and in the level of engagement shown by people during these meetings. Despite numerous challenges that increased the difficulty – especially during Covid-19, when at a certain point, all of this was put on hold, and the focus shifted to the survival of businesses – this agreement *[2024]* has genuinely sparked a new level of enthusiasm among some employees. It has also encouraged them to voice their opinions in ways that, in my view, were previously absent» (Trade union official)

Another important point to emphasise is the lack of monitoring mechanisms to assess the economic impacts associated with practices of direct worker participation, although company management is sure about their relevance.

«Participation is a complex issue, there is no guarantee that these efforts will be successful. Additionally, there are various constraints to consider. However, my question today is: can I do without it? No, because otherwise, I risk being unable to identify my real needs» (HR Manager)

In this regard, one worker representative interviewed emphasises the importance of assessing the economic impact of each individual practice or project. However, he/she acknowledges an increase in productivity over the past year, which may also be influenced, though, by production standstill during the pandemic. Another worker representative notes that since the signing of the first agreement in 2019, people now seem happier, although there is no shortage of voices against it.

The trade union representative views direct participation with a mix of satisfaction and self-reflection. While acknowledging the progress made and the union's active role in fostering workplace participation, the representative emphasises that further improvement is essential, especially in extending the impact to the local community. In this regard, the company could act as a springboard for other businesses in its region and beyond, especially as many large corporations increasingly pursue participatory practices without including trade unions. This vision is strategic rather than philanthropic, and the representative stresses the need for trade union' sustained and systematic efforts in both internal and external engagement to maximise the benefits of direct participation. A significant barrier remains the absence of a unified trade union perspective on regional needs and capacities, as Italy's numerous union federations often lack an overarching vision that addresses the specific requirements of each territory. This is despite the CISL's commitment to enhancing worker participation in workplaces as demonstrated by the popular bill, launched by the trade union confederation itself in 2023 and now discussed in Parliament, containing a specific chapter on 'organisational participation'. However, the FIM-CISL representative interviewed

emphasises that the recent upward trend in inflation has somewhat diverted the organisation's attention from discussions surrounding worker participation.

The company shares with the union the need to talk more about participation in Case 2M both externally, to other realities and to the territory, and internally to make all workers understand the value of these experiments and convey pride in what has been done. Furthermore, according to the HR Manager, the ability to listen to people must always be improved, despite the progress already made.

Summary of the case study

Case 2M is an Italian medium-sized family-owned company specialising in the production of household appliance components, such as safety systems and program selectors for washing machines. Operating in the B2B market, it collaborates with major international brands, exporting approximately 80% of its production. The company follows a vertically integrated production model with a high level of automation (90%) and has established a research centre that collaborates with universities to explore new technological solutions.

Case 2M is covered by both national and company-level collective bargaining and has a unitary workplace labour representation (RSU), fostering a constructive and trust-based industrial relations climate. The recently renewed company-level collective agreement includes a three-year innovation plan aimed at improving business processes and implementing a new software system. Five working groups have been established to focus on specific areas such as organisational efficiency, quality, and safety.

The company has implemented various worker participation practices: workshops, focus groups, and working groups that include RSU representatives, company managers and expert employees. Mechanisms to collect worker suggestions have also been introduced, as well as team leaders in departments who are responsible for collecting ideas of improvement in organizational efficiency and ergonomics.

On account of the agreements signed in 2019 and 2024 regulating participatory innovation paths, industrial relations do play a crucial role in establishing direct worker participation within the company. For the union, direct worker participation aligns with its traditional mission to empower workers, enhancing their sense of belonging and satisfaction. Therefore, the union supports and monitors organisational changes, acting as a mediator between company goals and worker concerns, which deepens trust and communication within the workforce. However, the union's influence is more impactful in the implementation phase, where representatives help workers appreciate the initiatives' value, and in the monitoring phase, ensuring workers see the benefits over time. The recent restructuring of the bilateral commission into specialised working groups aims to enhance workers' active involvement by leveraging their specific expertise and addressing prior imbalances in knowledge and preparedness. However, the lack of sufficient competences and time appears as a persistent barrier to both workers and their representatives' effective involvement in participation initiatives.

Though lacking targeted monitoring mechanisms, participation practices seem to have produced good economic results and strengthened worker engagement. Challenges, however, remain such as a lack of motivation among some employees. The company and worker representatives share the

goal of further improving responsiveness to employee needs and expanding the culture of participation both internally and within the local community.

Company characteristics	**Company context.** Case 2M is an Italian medium-sized family-owned company specialising in the production of household appliance components, such as safety systems and program selectors for washing machines. Operating in the B2B market, it collaborates with major international brands, exporting approximately 80% of its production.
	State of innovation. The company follows a vertically integrated production model with a high level of automation (90%) and has established an Academy for worker training and a research centre that collaborates with universities to explore new technological solutions.
Industrial relations	**Trade union density rate at the company level.** 10/15%
	Workplace labour representation structure characteristics. The representation of workers has been essentially through FIM-CISL for at least the past 20 years, with a RSU established as early as the 2000s, and today composed of seven members.
	Company-level collective bargaining. It is conducted by management with the RSU and the local trade union branch. Key areas of labour-management discussion include organisational work processes, innovation and participatory strategies, particularly related to performance-related bonuses and bilateral working groups, as well as occupational health and safety and welfare.
Direct worker participation	**Direct participation as the subject of organisational tools.** 1) Workshops on key projects on areas like digitalisation, sustainability and psychological wellbeing where all workers are involved in consultation and joint assessment procedures; 2) Focus groups to address quality control and product integrity, though apparently mainly involving senior staff; 4) Structured work teams and team leaders for collecting workers' ideas for improvements in fields like organizational efficiency and ergonomics; 5) Suggestion schemes e.g., through Kaizen boards on production lines as well as informal communication between operators and department heads or team leaders; 5) Surveys with all workers on issues like wellbeing and mobility; 6) Individual autonomy over the content and organisational of work mostly developed in Administration. These practices are largely unilaterally designed by management, although mixed working groups recently established should play a role in planning further workshops.
	Direct participation as a vehicle for workplace innovation Many of the above practices are also mentioned in an Innovation Plan designed by management in 2024 in agreement with worker representatives. The Plan refers to the objective of revisiting key business processes and integrating a new software system to connect different areas of production. To this end, the Plan outlines a series of initiatives aimed at facilitating this significant change from both an organisational and HRM perspective (incl. workshops, focus groups, the collection of workers' suggestions). In addition, it mentions a joint labour-management commission (composed of worker representatives and manager), already established in 2019, and now articulated in 5 working groups, also with the participation of individual workers with expertise and interests in the specific issues. These working groups should meet periodically to monitor and analyse the

	development of the Innovation Plan, with specific reference to the issues of OEE, quality, sustainability, welfare, safety, to propose improvements and plan training actions in these areas. Bottom-up consultation and joint assessment over executive and managerial issues are the most developed procedures. Partly, joint determination over minor issues.
The role of industrial relations in direct worker participation	The impetus to formalise existing practices of worker engagement within the first joint Innovation Plan arose from a seminar organised in 2018 by the local employers' association Assolombarda. Since then, worker representatives are asked to approve Innovation Plans, designed by management and entailing the development of direct participation practices. Therefore, worker representatives are largely informed of the implementation of direct participation practices. However, they do not concretely intervene in the design of these practices. They are part, though, of a joint labour-management commission (further articulated in five working groups) with the aim of monitor the advancement of the Innovation Plans also by assessing workers' suggestions, proposing further ideas of improvement and planning further workshops and training initiatives. To get contributory incentives, the Innovation Plans designed by management and approved by worker representatives are attached to company-level collective agreements regulating a performance-related pay scheme signed by worker representatives.
	Model of integration b/w direct participation and industrial relations Halfway between hybrid (cooperative) and democratic (participatory) model, since on the one hand worker representatives (especially, the local trade unionist signing agreements with the company) boast a proactive approach vis-à-vis direct participation, on the other hand they hardly provide concrete inputs to the definition of direct participation practices and are mainly informed about their introduction and at best involved in their monitoring.
	Breadth and depth of participation Worker participation in Case 2M boasts a good degree of breadth and depth. As regards the breadth, industrial relations and direct participation are both well developed over diverse and complementary topics, and are linked with one another. As regards the depth, some participation practices boast a high degree of institutional embeddedness as agreed via collective bargaining and a shared Innovation Plan.
Difficulties	1) Workers' lack of motivation; 2) Lack of monitoring mechanisms assessing the economic impact of direct participation practices; 3) Lack of workers and their representatives' sufficient competences and time to more effective engage in organisational dynamics.
Impacts	Though lacking targeted monitoring mechanisms, participation practices are perceived as essential by management to have an accurate idea of the company's needs. However, the innovation objectives set in 2019 have been achieved on time

	and good productivity results have been reported in the last year though partly influenced by the production standstill of the pandemic. Workers seem generally happier and more engaged, although there is no shortage of voices against it.
Future prospects	The company and worker representatives share the goal of further improving responsiveness to employee needs and expanding the culture of participation both internally and within the local community.

5.2. Advanced tertiary sector

General introduction to the sector

The ongoing and accelerating tertiarisation of the Italian economy has significantly reshaped its occupational, economic, and social structures. Historically regarded as a residual sector, services have now become a central component of the economy. This shift has resulted in a growing functional integration between the service sector, production, and other areas of economic activity, thereby blurring traditional sectoral boundaries. This phenomenon is particularly evident in the advanced tertiary sector, which encompasses business and professional services characterised by high knowledge intensity and substantial added value (Regalia & Sartor, 1992). These services, which include technical and ideational support for production, the commercial success of goods, and the administrative efficiency of enterprises, were once performed in-house. However, over the past two decades, they have increasingly been outsourced to specialised external firms, making it difficult to delineate the boundaries of this specific segment of the service sector (Ciciotti, 1987; Invernizzi, 1987).

According to the NACE statistical classification of economic activities, the advanced tertiary sector can therefore encompass information and communication services (code J), financial and insurance activities (code K), real estate activities (code L), and professional, scientific, and technical activities (code M). The organisational structure of this sector is often shaped by the type of direct interaction between companies and clients required, with production models adapted to facilitate direct contact with customers. As a result, this sector tends to adopt relatively open and flexible organisational solutions, where traditional boundaries between professional roles and functions become less defined. Another key characteristic, particularly in the provision of immaterial services, is the sector's inherent vulnerability to disruptions and uncertainty due to the processual nature of service delivery, where final outcomes are often difficult to anticipate (Regalia & Sartor, 1992).

Investigating the economic performance of the advanced tertiary sector in Italy, data provided by ISTAT (Italian National Statistics Institute) show that in 2023 Italy's advanced tertiary sector contributed for approximately 27.9% of the country's total economic added value (1.910.056,4 euros at current prices) with key sectors being real estate (239.1 billion euros added value), financial and insurance activities (112.2 billion euros added value), professional and technical services (115.7 billion euros added value), and information and communication services (66.6 billion euros added value). These figures highlight the growing importance of knowledge-intensive services in Italy's economy, reflecting broader global trends towards a service-driven economy.

Characteristics of the companies operating in the sector

Looking at the companies constituting the sector, the total number of active enterprises (including all legal corporate forms) across the four NACE sectors under consideration reached 1,368,370 in 2022. Of these, 120,878 enterprises operated in the information and communication services sector, while 113,676 were part of the financial and insurance activities sector. The real estate activities sector accounted for 246,927 enterprises. The largest portion, however, was represented by the professional, scientific, and technical activities sector, comprising 886,889 enterprises. Analysing the number of active enterprises from 2012 to 2022, it is possible to identify a consistent upward trend across key sectors within the advanced tertiary industry. In information and communication services, the number of active enterprises increased from 97,280 in 2012 to 120,878 in 2022. Similarly, the financial and insurance sector saw an expansion of 22,242 enterprises over the same period. The real estate sector also experienced growth, with an increase of 11,493 enterprises. The most substantial rise occurred in the professional, scientific, and technical activities sector, where the number of active enterprises increased from 710,017 in 2012 to 886,889 in 2022.

An analysis of the size distribution of active enterprises in 2022 reveals a clear predominance of micro-enterprises within the advanced tertiary economic sectors in Italy. In information and communication services, the majority of active enterprises (113,090) had between 0 and 9 employees. A smaller number, 6,415 enterprises, had 10-49 employees, while 1,143 enterprises employed 50-249 people. Only 230 enterprises had 250 or more employees. Similarly, in financial and insurance activities, micro-enterprises dominated, with 111,327 enterprises having 0-9 employees. There were 1,770 enterprises with 10-49 employees, 420 with 50-249 employees, and 159 with 250 or more employees. The real estate activities sector exhibited the same pattern, with 246,188 enterprises employing 0-9 people, 684 enterprises in the 10-49 employee range, 49 enterprises with 50-249 employees, and only 6 enterprises with 250 or more employees. In professional, scientific, and technical activities, the largest in terms of enterprise numbers, 876,673 enterprises employed 0-9 workers. There were 8,907 enterprises with 10-49 employees, 1,122 with 50-249 employees, and 187 with 250 or more employees.

Workforce composition and its main characteristics

An evaluation of the workforce composition in the sector under examination, based on data from the INPS (National Social Insurance Agency) observatory on employee work, reveals that the information and communication services employed a total of 643,941 workers in 2023. This workforce was divided across several qualifications: blue-collar workers accounted for 77,598 individuals, white-collar employees for 449,921, supervisors for 49,232, managers for 14,213, apprentices for 40,337, and other roles for 12,640. In comparison, the financial and insurance activities sector employed 485,836 employees. This sector's breakdown was as follows: blue-collar workers totalled 4,266, white-collar employees 303,373, supervisors 154,804, managers 14,704, apprentices 8,637, and other roles accounted for 52 individuals. Within real estate activities workers amounted to 61,658 in 2023. Among them, there were 12,036 blue-collar workers, 42,380 white-collar employees, 2,490 supervisors, 1,043 managers, 3,704 apprentices, and 5 individuals in other roles. Lastly, in the professional, scientific, and technical services sector in 2023 there were 600,346 workers, including 74,798 blue-collar workers, 441,728 white-collar employees, 26,808 supervisors, 11,943 managers, 44,759 apprentices and 310 workers involved in other roles. Therefore, the

above-mentioned analysis of the professional distribution of employees within the advanced tertiary sector indicates that the workforce is predominantly composed of white-collar employees**.**

However, along employee's data, it is also important to highlight the substantial presence of self-employed workers within these sectors. According to ISTAT data from 2023, the number of self-employed individuals reached 139,000 in the information and communication services sector, and 108,000 in financial and insurance activities. In the broader category of economic activities - including real estate (NACE code L), professional, scientific, and technical services, as well as rental, travel agencies, and business support services (NACE code N, though excluded from this analysis) - the figure was 1,105,000.

With regard to the configuration of workers by gender across the sectors, INPS data from 2023 illustrate that in the real estate activities sector there was a marked gender imbalance with 21,064 male workers and 40,594 female ones. In the professional, scientific, and technical services sector in 2023 there were 366,310 female workers and 234,036 male workers. The information and communication services sector, which employed the largest number of individuals overall, had a significant gender disparity too, with 384,388 male workers and 259,553 female workers. In the financial and insurance activities sector, the distribution was more balanced, with 238,621 male workers and 247,215 female workers. In total, across all four sectors, there were 878,109 male workers and 913,672 female workers, leading to an overall workforce of 1,791,781 individuals. Female represented a larger portion of the workforce in the sectors combined, and they were particularly overrepresented in the real estate sector and in the professional, scientific and technical services sector. The only sector in which female workers are less than male ones is the information and communication services sector.

In addition, an examination of the distribution of workers by employment contract in 2023 reveals a predominant reliance on permanent contracts across all sectors. In the information and communication services sector, 86,771 employees were employed on definite contracts, while 534,469 held indefinite contracts, and 22,701 were on seasonal contracts. In the financial and insurance activities sector, there were 12,440 employees with definite contracts, 473,334 with indefinite contracts, and only 62 on seasonal contracts. In the real estate sector, 8,070 workers had definite contracts, 51,668 were employed under indefinite contracts, and 1,920 held seasonal contracts. In the professional, scientific, and technical services sector there were 84,486 employees with definite contracts, 511,179 with indefinite contracts, and only 4,681 on seasonal contracts.

Breaking down the workforce by age group, according to INPS data, in 2023 within the real estate activities sector, younger workers (aged up to 29) accounted for 11,437 individuals. The largest share of employment, however, was concentrated in the 30 to 49 age group, comprising 29,764 workers. Additionally, 18,860 individuals were employed in the 50 to 64 age range, while the sector employed 1,597 workers aged 65 and above. In the professional, scientific and technical services sector, workers aged under 30 were 136,500; workers between 30 and 50 years old were 301,703 and there were 162,143 workers aged 50 years old or more. In the information and communication services sector, the largest group was in the 25-29 age range, with 93,977 employees. Employment remained strong across the 40-44 and 45-49 age groups, which together accounted for approximately 148,483 workers. However, the workforce in older age brackets declined sharply, with only 11,357 workers aged 65 and above. In the financial and insurance activities sector, employment steadily increased from younger to middle age groups. There were 34,582 workers under 30, 83,422 in the 30-39 range, and 140,137 in the 40-49 range. The largest concentration was found in the 50-59 age group, with 163,579 workers. As in the other sectors, employment dropped

significantly for older workers, with 55,292 employees aged 60-64 and just 8,824 aged 65 and over. Overall, the majority of workers across all three sectors were concentrated in the 25 to 54 age range, where employment was particularly strong.

Industrial relations

With reference to industrial relations, an estimation of the number of NCLAs covering the advanced tertiary sector can be made through the database of the National Council of Economy and Work (CNEL), which attributes ATECO 2007 codes (coinciding with NACE rev. 2 codes) to all archived and in force NCLAs, on the basis of their application scopes. By elaborating CNEL data updated June 30, 2024, it appears that there are around 27 NCLAs applied to at least 10,000 workers which cover NACE sectors J, K, L and M, all ascribable to advanced tertiary sector (CNEL, 2024). To get an idea of the phenomenon of NCLAs' multiplication in the tertiary sector in Italy, it is also worth mentioning that further 30 NCLAs covering the above-mentioned segments are applied to 1,000-9,999 workers and even more impressively, more than 180 NCLAs are applied to 1-999 workers. The vast majority of the latter NCLAs are signed by trade union organisations other than those affiliated to the most representative confederations, CGIL, CISL and UIL. However, the three main trade unions in Italy are among the signatory parties of 21 out of the 27 most applied NCLAs in the advanced tertiary sector. For a closer look at the specific activities these NCLAs refer to, we can list the 8 NCLAs applied to at least 100,000 workers:

1. the NCLA for workers employed in companies of the tertiary, retail and services sector, signed by the employers' association, Confcommercio and the trade union federations, FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL, and applied to 2,428,348 workers (latest renewal: March 22, 2024). This NCLA covers all above-mentioned NACE sectors.
2. the NCLA for workers employed in companies of the metalworking and plants' installation sector, signed by the employers' associations, Federmeccanica and Assistal, and the trade union federations, FIM-CISL, FIOM-CGIL and UILM-UIL, and applied to 1,676,007 workers (latest renewal: February 5, 2021). Though largely concentrating on manufacturing sector, this NCLA can also apply to companies providing information and communication services.
3. the NCLA for workers employed in companies of HORECA sector, signed by the employers' associations, Fipe, Angem, Legacoop Produzione e Servizi, Confcooperative Lavoro e Servizi and Agci-Servizi, and the trade union federations, FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL, and applied to 670,428 (latest renewal: June 5, 2024). Though mostly covering bars, restaurants and hotels, this NCLA can also apply to companies providing information and communication services.
4. the NCLA for workers employed in small and medium companies of the metalworking and plants' installation sector, signed by the employers' association, Unionmeccanica Confapi, and the trade union federations, FIM-CISL, FIOM-CGIL and UILM-UIL, and applied to 379,970 workers (latest renewal: May 26, 2021). Though largely concentrating on manufacturing sector, this NCLA can also apply to companies providing information and communication services.
5. the NCLA for workers employed in professional firms, signed by the employers' association, Confprofessioni, and the trade union federations, FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL, and applied to 327,574 workers (latest renewal: February 16, 2024). This NCLA

covers all above-mentioned NACE sectors.

6. the NCLA for managers and personnel employed by credit, financial and instrumental companies, signed by the employers' association Abi and the group Intesa San Paolo, and the trade union federations, FABI, FIRST-CISL, FISAC-CGIL, UILCA-UIL and UNISIN, and applied to 285,481 workers (latest renewal: November 23, 2023). This NCLA largely covers financial and insurance services.
7. the NCLA for workers employed in companies performing telecommunications services, signed by the employers' associations Asstel and Assocontact, and the trade union federations, SLC-CGIL, FISTEL-CISL and UILCOM-UIL, and applied to 131,716 workers (latest renewal: November 12, 2020). This NCLA largely covers information and communication services, though also applying to professional, scientific and technical services.
8. the NCLA for non-managerial staff employed in the Italian postal services provider, signed by the group Poste Italiane, and the trade union federations, SLC-CGIL, SLP-CISL, UIL POSTE, FAILP CISAL, CONFSAL Comunicazioni and FNC UGL Comunicazioni, and applied to 116,847 workers (latest renewal: July 23, 2024). This NCLA refers to financial and insurance services, though also concentrating on transporting and storage activities.

As emerged from this list, even though all above NCLAs apply to at least 100,000 workers and cover activities ascribable to advanced tertiary sector, their actual presence and contribution to the sector differs, since some of them (e.g., the NCLAs for the metalworking industry and the HORECA sector) largely apply to other economic activities. However, it is hard to find more specific information on NCLAs applied by companies in the advanced tertiary sector. From an empirical analysis conducted on 15 companies between 1987 and 1988, and still representing one of the most thorough study on the sector, it emerged that the NCLA for the tertiary, retail and services sector is the most applied by the analysed companies, although other NCLAs covering industrial sectors were used too (Regalia & Sartor, 1992). Coherently, a more recent survey administered to 278 workers in 58 informatic companies has revealed that almost two out of three companies (60%) apply the NCLA for the tertiary, retail and services sector; the NCLA for the metalworking industry is applied in almost one in four companies (24.2%) and that of telecommunications in 4,7% of cases; in 7.9% of cases, other NCLAs are applied, including those of publishing and graphics, chemical sector, credit, universities and research, professional firms and public sector (Di Nunzio, 2019). Subsequently, industrial relations in the advanced tertiary sector appear as particularly fragmented and with blurred contours, encompassing different NCLAs, sectoral labour markets and social partner organisations. However, the coverage rates of national collective bargaining in NACE sectors J, K, L and M turn out to be all above 97% (CNEL, ISTAT, 2016). As regards second-level collective bargaining coverage, the latest estimates derive from an elaboration of FDV-CGIL conducted in 2014, according to which only 25.4% of companies providing business services (comprising NACE sectors from G to N) are covered by company-level collective agreements; a further 4.6% of companies in the sector are covered by local-level agreements (Leonardi et al., 2017). It is therefore no wonder that between 2012 and 2013, according to an investigation of the ISTAT, only 31.5% of workers employed in business services turned out to be unionised; and that 17.1% of companies in the sector was covered by a workplace labour representation body (either RSU or RSA) (CNEL, ISTAT, 2016). With reference to the contents of second-level collective bargaining, the most negotiated topic in the area of business services at that time was fixed pay increases (in 61.5% of companies), followed by working time and organisation of work (59%), performance-related pay (53.7%) and worker training (46%). Less

negotiated themes were welfare (42.6%), employment contracts (30.9%), job classification (30.5%), industrial relations and trade union rights (25.4%) and equal opportunities (22.7%) (CNEL & ISTAT, 2016).

Other sources of regulation and direct worker participation

In any case, it is important to mention that although most companies operating in the advanced tertiary sector apply NCLAs, the actual regulation of work might also occur through unilateral channels and procedures. Regalia and Sartor's (1992) research, indeed, reveal that there might be three different scenarios: the former especially concerns large and unionised companies, covered by both sectoral and decentralised collective bargaining; the second is usually linked to small and non-unionised companies resorting exclusively to sectoral collective agreements for the regulation of work; and the latter regards well-structured companies with no or scant trade union presence opting on the one hand, for unilateral HR policies as regards e.g., remuneration, job classification, career development paths and criteria, working time, and on the other hand, for sectoral contractual rules as regards more general aspects (like vacations, leaves, notice in the event of resignation, etc.) and supplementary healthcare and pension funds. Overall, though largely applying NCLAs, most of the company and worker representatives interviewed consider them as (at least partly) inappropriate and in many cases, contractual rules represent standards from which to unilaterally define more specific conditions of employment. In fact, other sources of regulation of work in the companies of the sector would be the market (as revealed by the considerable, though not predominant, usage of external professionals and individual bargaining in the analysed companies) and occupational identity (especially as regards the share of professionals in the employed workforce, whose organisational behaviour derive from their sense of belonging and respect for the occupational community developed within innovative service companies) (Regalia & Sartor, 1992).

The presence of these further sources of regulation is explained by the high intellectual and professional content of the work in the sector, requiring high degrees of personal involvement and inventiveness, flexibility and cooperation, which are difficult to stimulate, attract and govern only through collectively bargained rules, and significantly depend on individuals' job-creation capacity and relationships of esteem, loyalty and trust with other professional roles (see also Luciano, 1987). Moreover, the intensive knowledge work performed tends to coincide with the product/service delivered itself, as in the case of consultancy and training provision, and problem-solving activities for clients. Subsequently, the organisation of production processes ends up overlapping with the management of work, both necessitating, given the centrality of the human resource, mechanisms that favour consensus, autonomy and collaboration, rather than the imposition of authority (Regalia & Sartor, 1992). It is therefore no wonder that hierarchical structures are largely slender and based on the criterion of professional or specialist competence; the organisation of work is indeed generally unstructured and based on ad hoc groups of workers that are established from time to time around specific projects whose features in terms of contents and timing are highly variable. In these contexts, it is not the resort to the formal principle of authority that ensures the internal integration and cohesion necessary to perform. Rather, it is the recognised competence of those coordinating the groups, the shared visibility of the whole production process and the fluidity of internal communication flows that count (*ibidem*). As a consequence, as documented by a research on informatic work (Di Nunzio, 2019), working conditions in the sector include, among others: non-programmable working times and high reliance on on-call duty and off-site and remote work;

intense workload due to the pressure of tight deadlines; high degrees of individual responsibility (sometimes, though, with the lack of proper support); worker autonomy especially over the timing and modalities of work as well as over the determination of individual objectives (rather than company or team objectives), which however does not cancel forms of direct control by superiors or performance evaluations; and positive and cooperative relations with colleagues and superiors. In line with these findings, by relying on INAPP's IV Survey on the Quality of Work, Canal and Gualtieri (2020) register a higher share of participative practices (including meetings to involve workers in the definition of the methods of work execution, training activities, performance assessments based also on workers' behaviour, shared decision-making, etc.) in other services (29.4%), while lower in industry (27.2%) and in commerce and tourism (22.0%).

5.2.1. Case study 1T

Company characteristics and state of innovation

Case 1T is a training institution and an employment agency, founded in Reggio Emilia in 1971 on the initiative of the Chamber of Commerce of Reggio Emilia. It delivers a wide range of activities for both workers and companies, including the design and implementation of continuing vocational training courses (which was the only business area of Case 1T at the times of its foundation), the search and recruitment of personnel, the provision of vocational guidance and labour-market matching services, and the support and development of international projects. Case 1T has progressively grown since its foundation and its board of directors is now composed of several Chambers of Commerce of Emilia-Romagna Region as well as Unioncamere (the Italian Union of the Chambers of Commerce). Case 1T is therefore a private and non-profit entity with a turnover of approximately 22 million euros. Thanks to its 16 premises located in seven Italian Regions, it mainly operates throughout the whole country. Moreover, it has been working in international projects, financed by the European Union, for about 20 years. In this regard, Case 1T is an official member of EfVET (European Forum of Technical and Vocational Education Training) and the founder and head office of Consorzio Ulixes, a European Economic Interest Grouping (EEIG), which has been dedicating since 1994 to vocational training and active employment policies, involving training agencies, colleges, business schools, Chambers of Commerce from different EU countries.

The HR Manager interviewed depicts Case 1T as particularly innovative in terms of both products and processes. Case 1T is indeed equipped with both a research and development team, exclusively dedicated to the search for new avenues of development and growth (such as those related to Industry 4.0 and artificial intelligence), and an innovation manager. Moreover, it is constantly looking for advanced technological tools for the organisation and management of its activities. Compared with other training institutes in Italy, it has also been a forerunner in the creation of an international network. The latter and the constant relationships with external consultants, involved in Case 1T's courses as trainers, allow the company to be up to date with the latest topical issues.

Workforce characteristics

Case 1T is composed of 275 employees: 248 with an open-ended contract (including apprenticeship contracts, which the company makes large use for new placements) and 27 are fixed-term workers (whose contracts may exceed 12 months if linked to the duration of specific projects, as allowed by

the NCLA applied). Agency work is no longer widely used as it was in the past in relation to specific projects: today, there is only one agency-based worker. 150 out of 275 employees work in the company headquarters in Reggio Emilia; the second most populated premises are in Bari. The most represented age cohorts are 45-54 and 26-34 years old, both accounting for 30% of the entire workforce, followed by 35-44 years old standing for 27% of all workers. The least represented cohorts are those of workers aged over 55 and between 19 and 24 years old, representing respectively 11% and 2% of the working population. The low presence of very young workers is reflected also in the prevalence of university graduates (70%) compared to high school graduates (30%). The share of women is significantly higher than that of men: 81% versus 19%. And this explains the attention devoted by the company to equal opportunities, shown, among others, by the adherence to the Code for maternity-friendly enterprises (a self-regulatory instrument launched in 2023 by the Ministry for Family, Birth and Equal Opportunities), the interest in undertaking the path towards the Certification of gender equality (introduced in 2021 within the National Recovery and Resilience Plan) and the provision of specific actions (i.e., working time flexibility, leaves, psychological guidance, etc.) supporting parenthood, included in the 2024 company-level collective agreement.

With reference to the main professional figures employed, the HR Manager interviewed lists training developers, coordinators, technical managers, administrative staff and salesmen. Teachers and trainers are instead independent contractors. A significant change recently occurred regards guidance counsellors, who were traditionally involved as independent contractors and are now internally hired and developed, following the expansion of Case 1T's activities related to job search. As regards personnel turnover, the share of people leaving the company compared to the total employed workforce now amounts to 3%, although it stood for 11% in 2023. This figure probably reflected the psychological impact of Covid-19, which forced the company to move training courses from physical spaces to online platforms, thus reducing chances for training coordinators of face-to-face interactions with students and trainers.

> «Certainly, Covid-19 had the merit of bringing a lot of training to online platforms, but it has downgraded the work especially that of coordinators, who have to be connected all the time to fill in all administrative documents. The work has become quite heavy, as essentially focused on organisational and bureaucratic activities, while the relational aspect that coordinators could develop in presence, has dropped a little. I believe that the level of satisfaction of the people has decreased in this sense». (worker representative)

The negative turnover rate of 2023 was interpreted as a wake-up call by management, which indeed embarked on a process to introduce more working time flexibility and personalisation, ended in February 2024 with the signature of a new company-level collective agreement.

Industrial relations

Case 1T applies the NCLA for workers employed in companies of the tertiary, retail and services sector, signed by the employers' association, Confcommercio and the trade union federations, FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL (latest renewal: March 22, 2024). Its Reggio Emilia and Bari sites are moreover covered respectively by two (one adhering to FILCAMS-CGIL and one adhering to FISASCAT-CISL) and one (adhering to FILCAMS-CGIL) workplace labour representatives

(RSA). However, the trade union density rate is quite low: the HR Manager reports around 25 CGIL members, and 4 CISL members. Whereas a worker representative interviewed declares to remember higher unionisation rates in the 1990s when she firstly joined the company, the HR Manager attributes these low figures to the specific nature of the company and HRM style.

«The number of unionised workers is low, precisely because this is not a standard company, but a training institute with a vision - let's say - and a personalised style of management. We ended up with 275 employees, but the approach to labour relations still remains almost as we were a family or a small company». (HR Manager)

In this regard, a further worker representative interviewed is concerned about the fact that workers tend to acknowledge the importance of trade unions and participate in trade union activities only when they face difficulties.

The third most representative trade union in Italy, UIL, does not seem to have members in the company but it has signed the last company-level collective agreement of February 15, 2024, given the opportunity for it to participate in decentralised negotiations as signatory party of the NCLA applied in Case 1T. Relationships between the company and the trade unions are described by all interviewees as good and cooperative, with satisfying results for both sides.

«In the last negotiation – I must say – there was a largely proactive discussion; therefore, there were no clashes. Obviously, everyone brought their own vision, but there was always a convergence: a convergence that takes into account both the sustainability interests of the company - because this is a necessary condition - and the needs of the workers. We have always managed to have a good discussion, by starting perhaps from two separate tracks, but succeeding in reaching an agreement that was positively signed by both parties». (worker representative)

Indeed, an important milestone of industrial relations at the company was the collective agreement for 'expansive solidarity' (as regulated by Law No. 863/1984) signed in 2013, following the enactment of Law No. 92/2012 which limited the use of project-based collaborations. On the basis of that agreement, 29 former collaborators were hired with an open-ended employment contract, alongside a reduction of working hours (from 40 to 38 per week, with the possibility of closing company offices on Friday afternoons during the summer months) applied to 82 employees, working in Case 1T at that time. This agreement is seen by management as a reflection of internal solidarity and mutual trust. The collective agreement signed on February 15, 2024 comes from this history, with the intention to overcome disparities in working time regulations between old employees and newly hired as well as to bring together various HR practices. As a result, the new agreement addresses in particular: working time (granting a weekly working time of 38 hours for all, flexibility bands in entering and leaving work, autonomy in the management of time within the limits of the normal weekly working hours, remote working on Fridays and for additional 6 days per month, and an allowance in case of a variation in the normal working time); welfare and work-life balance (with measures like ticket restaurants, a voucher for welfare goods and services amounting to 250 euros per employee, time off for medical exams, sickness, personal and family reasons,

working time flexibility for mothers, counselling services and psychological guidance, favourable conditions for employees' children in access to training courses and guidance activities delivered by the company, etc.); equal opportunities in personnel selection and development; allowances and insurance policies in case of work trips. As for salary items, a fixed pay increase of 70 to 200 euros (depending on the level of classification of workers) is included in the agreement, which, instead, does not provide for any performance-related pay scheme. In addition to the topics foreseen in the collective agreement, worker representatives are moreover informed of training plans for employees and the process towards the Certification of gender equality (under Law No. 162/2021). Information concerning the overall economic trends are instead delivered by central management to all workers usually via a webinar once a year.

Labour regulation

Therefore, labour relations are found to be managed partly through national and company-level collective bargaining (as regards i.e., employment contracts, working time and welfare) and partly through HRM (as for i.e., worker training, professional self-assessment and career development). Moreover, as declared by the HR Manager and written in the last collective agreement, there are issues (i.e., equal opportunities and work-life balance measures for working mothers) that were initially developed as HR practices (especially, with the adhesion to the Code for maternity-friendly enterprises) and later included in the negotiations. Working time, instead, appears as an area of interplay between HRM and collective bargaining, since the provisions of flexibility agreed in the last negotiations followed a survey administered by management to all workers about their needs as regards working time and work-life balance. However, remote working was firstly defined through a unilateral company regulation, whose content was later reported in the company-level collective agreement.

According to a worker representative interviewed, though carrying out many unilateral practices, the company still involves the trade union in collective negotiations, because it acknowledges the importance to have its approval and to maintain good labour-management relations.

Direct worker participation practices

Case 1T develops several direct worker participation practices. Firstly, it adopts a matrix organisational chart, which organises the company by organisational unit or geographical area (e.g., Milan, Mantova, etc.), corresponding to a traditional line structure, as well as by policy/theme (e.g., vocational training, employment services, etc.), corresponding to staff functions providing support to central management. At each intersection between these areas, there is a structured and formalised work team, whose members/employees report on the one hand, to their hierarchical superior in the organisational unit and on the other hand, to functional coordinators on the basis of the policies they are involved in. Therefore, work teams operate for both the development of their service and the economic efficiency of their organisational unit. Moreover, cross-departmental and cross-geographical groups are established very frequently, any time a project covering more organisational functions and areas is launched. This functional integration between different departments was not present since Case 1T's foundation, but it was developed in more recent times.

«Case 1T used to be managed in a much more rigid manner, there were working groups organised by themes that hardly ever collaborated with each other or collaborated by force. At that time, also because of the type of services delivered, we were more able to divide things vertically, whereas today there is an organisational chart that provides for continuous functional relations» (HR Manager)

The identification of target areas of intervention in specific projects may derive from both management and workers' suggestions, while the selection of the workers involved in project groups is usually made by either the central management or the various line managers. Project leaders usually update management on the development of the actions and directly deal with their implementation.

Another interesting direct worker participation practice regard the so-called 'professional communities', firstly launched in 2010s and gradually increased in number. They are established around a professional role (e.g., salesman, guidance counsellor, etc.), gathering people covering that role in the organisation, with the aim to promote the exchange of know-how and expertise, with particular attention also to the training of newly hired people, so as to reach common methods and standards of work across the various organisational functions. The communities are built up by management but daily organised by a coordinator that usually stands out spontaneously among community members. The continuous communication within the community occurs through a Whatsapp chat, while in-place meetings are scheduled every three or four months by the community coordinator in consultation with central management. These meetings may include also a day of training. As before written, communities are usually organised around a professional role, although a cross-functional community has been recently experimented. It gathers all 'facilitators' (that are figures regarded as capable both in their own organisational unit and among colleagues in the same role to disseminate information, corporate identity and mentor new recruits) from different professional backgrounds, and it is meant to interact with the Lean Quality Management System to improve organisational processes. Although it has immediately become a reference point for workers, it is being facing difficulties due to the high variety of topics which needs to cope with. Therefore, management is considering revising its structure and functioning in the near future. Interestingly, the HR Manager clarifies that there are not any economic incentives for people to enter and participate in the professional communities; the stimulus is provided by the sharing of knowledge and experiences on issues of pressing concern to professional roles. That is why communities are pretty large in terms of workers involved. Coherently, a worker representative interviewed observes that contributing to the professional community is generally not perceived as an additional burden for workers.

«I speak for me being part of the salesmen community, and I can say that it is not an extra burden, but an opportunity of dialogue. The periodic meetings can become a burden, because you have to be there for a whole day or more, but - let's say - it integrates well with my work». (worker representative)

Direct participation is moreover favoured in Case 1T within the framework of the Lean Quality Management System previously mentioned, as it implies also a formal procedure for the collection of suggestions from workers. However, in many cases, workers are found to propose improvements to their superiors in an informal manner, e.g., via email. Individual autonomy, instead, according to both the HR Manager and the worker representatives interviewed, concerns both the content and

the organisation of work, and it is promoted by management within the context of a target-oriented model of work. Once set the objectives by superiors, workers are indeed asked to be autonomous in carrying out the tasks leading to those objectives and in organising their time, as moreover established in the last company-level collective agreement with measures like the regulation of remote working, flexibility bands for entering and leaving the office, autonomy in the organisation of time, and the abolition of the duty for workers to clock out. However, as revealed by a worker representative, individual autonomy in relation to the specific professional role, with training developers generally freer to organise their own working time, than the technical and administrative staff who were nevertheless granted a few days of remote working. In addition, in Case 1T, workers have to yearly filled in a professional self-assessment template, where evaluating aspects like their sense of belonging to the company, their critical thinking and problem-solving capacity, their orientation to targets, their proactivity, their communication and negotiation skills, outlining areas to be improved or changed in the next year and making proposals for additional training. The filled in template is then subject of a meeting between the individual worker, her superior and the HR department, where it is also decided whether and how the worker's training needs could be satisfied. Overall, surveys are mentioned by the HR Manager as a tool increasingly used to assess specific issues (e.g., work-life balance, work-related stress, etc.) and topical moments in people's working lives.

Finally, top-down information to all workers is granted as regards the annual balance sheet and any significant organisational or business change, as well as during the process leading to the Certification on gender equality. Information therefore concerns issues already decided by management, and it occurs through means like webinars, emails, in-presence meetings and the online enterprise portal.

The interplay between direct participation and industrial relations

Apart from the area of workers' autonomy in the organisation of their time, which has been subject of collective discussion and regulation (also following the outbreak of the Covid-19 pandemic), industrial relations do not contribute to the design of direct participation practices. Overall, industrial relations seem to take place in Case 1T essentially in the form of collective bargaining over normative issues like working time and welfare, although these issues are addressed via HR practices as well; participatory procedures, instead, tend to largely involve workers, without the mediation of representatives. Worker representatives are at best informed of some direct participation practices before their introduction, as in the case of professional self-assessment, but they do not engage in them, unless they detect some critical issues.

> «I was thinking about the last meeting we had in relation to work-related stress, where the issue of communication emerged. Notably, worker representatives notified us of some differences in the ways each manager communicated relevant information to her employees: there were those who did it immediately, those who did it after twenty days, and those who did not do it. So, we were urged to standardise a little the communication methods». (HR Manager)

By and large, the approach of worker representatives is depicted by the HR Manager as not proactive but collaborative in this area, since they report critical issues when these emerge and

cooperate with the company when there is something to be dealt with. Coherently, the two worker representatives interviewed think that labour representation should not play a more active role in direct participation. The general perception from both the HR Manager's and the worker representatives' interviews is that the company is able to put in place positive organisational practices on its own, and there is no need for a protagonism of labour representation in this domain.

«I don't think there is a need for RSAs to contribute more on the professional self-assessment procedure, since I have seen the criteria adopted and I think they are appropriate». (worker representative)

Overall challenges and impact of the practices and future prospects

As regards the difficulties in the implementation of direct worker participation practices, the HR Manager affirms that some people may fear changes: this has occurred in relation to the introduction of working time flexibilities and autonomy with the last collective agreement as well as within the context of smaller organisational improvements. To face these forms of reluctancy, Case 1T management usually meets people, speak with them and try to overcome psychological barriers. Another issue which needs to be improved according to the HR Manager, is the company's capacity to collect and consider all available internal skills and experiences.

«The mistake we always run the risk of making, is to start working on a project from scratch, spending time and energy on steps that other colleagues (from other areas) could have already done in previous occasions». (HR Manager)

This is something which is sought by Case 1T through flexible and horizontal organisational schemes, but it is not easy to implement given the large and geographically displaced structure of the company. A further critical area reported by the two worker representatives interviewed is the scant participatory attitude of workers, who tend to raise their voice and get engaged only when they perceive a threat to their own entitlements, as in the case of working time. In other occasions, though, workers are described as pretty reserved towards both the HR department and worker representatives.

With reference to the results of direct participation practices, the HR Manager reveals that they map quantitative and qualitative data (e.g., trainees' appreciation, people helped to find a job, etc.) in relation to every single project. These data are moreover taken into account to assess the efficiency of the overall organisational model. In this regard, though, the HR Manager mentions the difficulty in finding proper indicators to assess the work of more technical, administrative figures, whose activities are not directly linked e.g., to the number of new clients, people trained, etc. By contrast, the results from worker surveys and professional self-assessments serve to measure the social sustainability of the company. Indeed, in the next months, a survey regarding the recently agreed working time arrangements is to be organised to collect workers' feedback and level of satisfaction.

Summary of the case study

Case 1T is a private, non-profit and medium-sized training institution and employment agency, founded in Reggio Emilia, Italy, in 1971 by the local Chamber of Commerce. Case 1T stands out for its innovative approach in both product development and internal processes, facilitated by a dedicated R&D team and an innovation manager who drive advancements in technology use, including Industry 4.0 and artificial intelligence applications.

Case 1T maintains a collaborative relationship with unions, grounded in both national and company-level collective agreements. Union density is low, possibly due to a very personalised style of management. However, the company's approach to industrial relations is constructive, emphasising common objectives like working time flexibility and welfare benefits.

The company fosters direct worker participation through structured teams, cross-functional groups, and 'professional communities' for sharing expertise and mentoring new hires. It supports workers' autonomy in time management, formalised by the recent collective agreement that enables flexible hours, remote work options, and autonomy in daily task organisation. The Lean Quality Management System further enables workers to suggest improvements formally and informally.

Worker representatives at Case 1T have a more indirect role in direct participation practices, focusing on reporting possible criticalities and ensuring fair communication between managers and employees. Though they do not formally influence the design of direct participation practices, they engage with HR to address worker concerns and ensure compliance with agreed policies. Both the HR Manager and the RSAs interviewed generally agree that the role of labour representation is to support rather than lead direct participation initiatives, trusting that management's approach aligns with worker interests. Hence, Case 1T's worker participation model is guided primarily by HR initiatives, but worker representatives act as intermediaries, facilitating communication and alignment of expectations.

While Case 1T has made strides in worker engagement, challenges persist. Employee participation is often reactive, and some workers are reluctant to embrace changes like flexible working. Management is working to better leverage internal expertise across departments and improve engagement levels. The company's ongoing evaluation of new work arrangements, including surveys, underscores its commitment to addressing employee feedback, which it views as essential for social sustainability and continuous improvement.

Company characteristics	**Company context.** Case 1T is a private, non-profit and medium-sized training institution and employment agency, founded in Reggio Emilia, Italy, in 1971 by the local Chamber of Commerce.
	State of innovation. Case 1T stands out for its innovative approach in both product development and internal processes, facilitated by a dedicated R&D team and an innovation manager who drive advancements in technology use, including Industry 4.0 and artificial intelligence applications.
Industrial relations	**Trade union density rate at the company level.** 10%, with differences across sites. FILCAMS-CGIL and FISASCAT-CISL are found to have members in the company, with the former being more representative than the latter.
	Workplace labour representation structure characteristics. Only its Reggio Emilia and Bari sites are covered by workplace labour representation bodies: they are

	covered respectively by two (one adhering to FILCAMS-CGIL and one adhering to FISASCAT-CISL) and one (adhering to FILCAMS-CGIL) workplace labour representatives (RSA).
	Company-level collective bargaining. It is conducted mainly at the central level with RSAs and local trade union branches and it covers issues like working time, welfare and work-life balance, equal opportunities, fixed pay, etc.
Direct worker participation	**Direct participation as the subject of organisational tools.** 1) Top-down information (via webinars, emails, etc.) over economic trends, organisational changes or other issues already decided by management etc.; 2) Surveys on issues like work-life balance; 3) Team- and project-based work, with project leaders boasting a certain autonomy in the organisation of work; 4) Professional communities for the exchange of know-how and managed by a coordinator in consultation with central management; 5) Collection of suggestions both formally (with the Lean Quality Management system) and informally; 6) Individual autonomy over the content and the organisation of work (within a target-oriented approach); Bottom-up consultation and joint assessment over single workers' professional development. Top-down information, bottom-up consultation and joint exchange procedures over organisational issues are quite developed. Individual autonomy over the management of tasks and times is implemented too.
	Direct participation as a vehicle for workplace innovation /
The role of industrial relations in direct worker participation	Apart from the area of workers' autonomy in the organisation of their time (regulated by a company-level collective agreement), industrial relations do not contribute to the design of direct participation practices. Overall, industrial relations seem to take place in Case 1T essentially in the form of collective bargaining over normative issues like working time and welfare, although these issues are addressed via HR practices as well; participatory procedures, instead, tend to largely involve workers, without the mediation of representatives. Worker representatives are at best informed of some direct participation practices before their introduction, as in the case of professional self-assessment, but they do not engage in them, unless they detect some critical issues. This has happened in relation to the ways of top-down communication.
	Model of integration b/w direct participation and industrial relations Mainly HRM model (with direct participation practices significantly developed and worker representatives largely uninterested and not involved in the area). Moreover, though existing, company-level collective bargaining autonomously regulates only few issues (i.e., related to working time), while some topics (e.g., worker training, career development) are left to HR practices and others (e.g., equal opportunities) are firstly developed as HR practices and only later included in the agreements.
	Breadth and depth of participation

	Both breadth and depth are not particularly developed. As regards the breadth, worker participation tackles both organisational and executive issues through both representative and direct voice. However, there are limits to the intensity and scope of both representative and direct voice, as well as to the functional integration between the different practices, apart from the attempt to establish a professional community of 'facilitators' intended to interact with the Lean Quality Management system and workers' suggestions for improvement. As regards the depth, participation practices seem to be legitimized by the actors involved. However, their institutional embeddedness appears to mainly occur in informal ways or through unilateral managerial procedures, apart from the role of collective bargaining in regulating individual autonomy over the management of time.
Difficulties	1) Some workers' fear of change; 2) The large and geographically displaced structure of the company compromises its capacity of collecting and considering all available internal skills and experiences; 3) Some workers' scant participatory attitude; 4) The difficulty in finding proper indicators to assess the work of more technical, administrative figures, whose activities are not directly linked e.g., to the number of new clients, people trained, etc.
Impacts	With reference to the results of direct participation practices, the HR Manager reveals that they map quantitative and qualitative data (e.g., trainees' appreciation, people helped to find a job, etc.) in relation to every single project. The results from worker surveys and professional self-assessments serve to measure the social sustainability of the company. Indeed, in the next months, a survey regarding the recently agreed working time arrangements is to be organised to collect workers' feedback and level of satisfaction.
Future prospects	/

5.2.2. Case study 2T

Company characteristics and state of innovation

Case 2T is an Italian leading telecommunications provider focused on the B2B market. It was formed in 2018 by the merger of five companies, previously acquired by an Italian asset management company. In the following years, it grew by merging with other two companies, until it was acquired by a pan-European private equity fund in 2022 and merged with another telecommunications provider in August 2024, by assuming a new corporate name. Its current business portfolio encompasses solutions for connectivity, data centers (including the largest Internet hub in Italy), cloud and cybersecurity, as well as wholesale services towards the so-called Over-The-Top (OTT). Case 2T operates in the national market delivering solutions and services for large, medium and small companies, from both the private and public sector. To do so, it relies on around 14 premises located all over the country (especially in the North-East and Centre-South of Italy).

«Our claim is to be very close to the customer, while having a national structure behind that guarantees a level of investments that local operators would not obviously be able to provide». (HR Manager)

As Case 2T's mission is to support the digitalisation of Italian companies, which is a constantly and rapidly changing process given the variable market requirements, organisational and technological innovation turns out to be essential for the development of the company.

«To be up to date with technological change is in our DNA, because if we set ourselves up as a guide for the digitisation of Italian companies to eliminate existing gaps, it is clear that we have to be very driven on this». (Industrial Relations Manager)

Workforce characteristics

Case 2T employs 752 workers. The most populated premises are in Milan, followed by the premises in Florence, Rome, Verona and Bolzano. More than 430 workers belong to the Operations (Technical) unit; over 200 workers are from the Sales unit and around 80 people are employed in Staff units. More than 50% of the total employed workforce are therefore technical profiles, with university degrees in telecommunications engineering or computer sciences. The vast majority of them are employed with open-ended contracts. In addition to employees, Case 2T collaborates with self-employed persons and temporary professionals sometimes provided by body rental agencies. Returning to employees, the female component amounts to around 31%: this quite low share is described by the HR Manager as coherent with the trend in the whole telecommunications sector, and it is addressed by the company through dedicated policies which allowed it to recently get the Certification of gender equality. Case 2T workforce's average age is above 40 years old. In order to lower this figure and favour the transfer of expertise, the HR Manager reports that around 66 workers – 37% of them aged below 30 years old – has been recently hired. As regards personnel turnover, the share of people leaving the company compared to the total employed workforce now amounts to 3/4%, although it stood above 10% for certain job positions in the years of Covid-19 pandemic. Moreover, this data exhibits some differences across the various premises, depending on the characteristics of local labour markets. With reference to the involvement and development of human resources, Case 2T hires experienced figures generally to replace someone who left the company or to carry out very specific projects as in the area of cybersecurity, while it also hires recent graduates or less experienced workers in a view of company growth.

Industrial relations

Case 2T applies two different NCLAs: the one for workers employed in companies of the tertiary, retail and services sector, signed by the employers' association, Confcommercio and the trade union federations, FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL (latest renewal: March 22, 2024); and the one for workers employed in companies performing telecommunications services, signed by the employers' associations Asstel and Assocontact, and the trade union federations, SLC-CGIL, FISTEL-CISL and UILCOM-UIL (latest renewal: November 12, 2020). This is due to the fact that Case 2T, formerly applying the NCLA for the tertiary, retail and services sector, merged in August 2024 with a company applying the NCLA for telecommunications services. In addition to the two NCLAs for blue-collars, white-collars and middle-managers, there are further two different NCLAs applied to the executives coming respectively from the originally services company and the

telecommunications operator: the first group is covered by the NCLA for executives of tertiary, retail and services companies (signed by Confcommercio and Manageritalia; latest renewal: April 12, 2023), and the second group is covered by the NCLA for executives of the industrial sector (signed by Confindustria and Federmanager; latest renewal: November 13, 2024). Differences in industrial relations between the two previous companies are not confined to NCLAs: most of the workers (belonging to the company applying the NCLA for the tertiary, retail and services sector) are indeed partly unionised, covered by workplace labour representation bodies and a company-level collective agreement; while the remaining that come from the telecommunications provider, are almost non-unionised and covered neither by workplace labour representatives nor by a company-level collective agreement. Overall, trade union density rate at Case 2T amounts to around 24%, although higher percentages are detectable in specific sites such as in Verona, Milan, Florence and Rome. All the three trade union federations signing the NCLA for the tertiary, retail and services sector have members in the company, although FILCAMS-CGIL and UILTUCS-UIL are found to be more representative than FISASCAT-CISL. In Case 2T there are overall 10 RSA appointed by all the three sectoral trade unions on the basis of their members, and 1 RSU. They are unevenly distributed across the various premises, with Florence, Verona, Milan and Rome premises boasting the higher number. Finally, very few workers formerly employed in the telecommunications company, are members of FISTEL-CISL.

As for the part of the company covered, industrial relations are described by both company and worker representatives as respectful, constructive and continuous. They led to a company-level collective bargaining which is rich in content and conducted by national trade union federations (FISASCAT-CISL, FILCAMS-CGIL and UILTUCS-UIL), that around six years ago replaced their different local branches originally negotiating a multitude of collective agreements applied to specific sites.

> «In the past, there were really a lot of trade unionists and worker representatives, and there were also more collective agreements. So, it was a bit more difficult to manage. But now that there are only national unions at the negotiating table, the situation is more stable and less confusing. Then because they have a different professionalism than an employee might have, I feel as we are more organised and structured and I appreciate that more». (worker representative)

Company-level collective bargaining is therefore conducted mainly at the central level covering diverse issues, including equal opportunities, working time and remote working, work-life balance and welfare measures, business travels, performance-related pay and information and consultation procedures. Local negotiations at single premises with worker representatives still occurs as regards specific matters like video surveillance solutions and remote control, health and safety issues, and training plans financed by inter-professional funds. However, since this situation applies only to a part of the workforce, the management has recently decided for the termination of the existing decentralised agreements (with effect from January 1, 2025), in a view of reaching a new comprehensive collective agreement covering the entire company by the end of 2024.

> «Our very challenging objective is to construct by the end of the year a single company-level collective agreement applied to all workers regardless of the primary source of regulation, which for some of them is the NCLA for telecommunications services. […] We know that it is an obstacle course that needs to identify interlocutors from the telecommunications sector (otherwise the agreement would still only apply to

people in the services sector). So, we will have to do a lot of mediation work, to build constructive trade union relations consistent with the goals we have set ourselves. This is the real initial hurdle». (Industrial Relations Manager)

Labour regulation

Given the different degrees of development of industrial relations at the company, labour regulation turns out to be quite fragmented. Except for some similar rules throughout the company as regards the regulation of travel expenses, it is worth underlining that while most of the workers are covered by collective bargaining solutions with reference e.g., to remote working and performance-related pay, the same matters are regulated via individual contracts for the remaining workers. A process of harmonisation of existing conditions is however ongoing: on the one hand, the Industrial Relations Manager is working on a new collective agreement covering the entire workforce; on the other hand, the HR department has already started building a common regulatory framework through, for instance, the definition of a universal training plan, general recruitment and staff development policies (including job posting), equal opportunities solutions (considering the maintenance of the Certification on gender equality), and a professional classification system, which identifies the various roles, responsibilities and related competences. According to company management, what is at stake is the creation of a common corporate identity, following the various mergers and acquisitions experienced by workers of Case 2T.

Direct worker participation practices

Case 2T carries out diverse direct worker participation practices. First of all, as regards top-down information, Case 2T ensures it by publishing the organisational chart and news on diverse issues, including possible internal vacancies, on company intranet, as well as by organising webinars, online events and roadshows at the local level where presenting to the workers company economic trends, future prospects and industrial plans, possible corporate changes, and ongoing or already developed innovation projects. These webinars or meetings are generally followed by Q&A sessions. According to the worker representative interviewed, communication from management has not always been constant and timely, though recently improving.

«Until recently, the company's good habit of communicating with employees had been somewhat lost. We pointed this out and they *[corporate managers]* listened to us, so now – I have to admit – communication from the company regarding projects involving a large part of the employees always takes place, either by e-mail or via webinars or meetings». (worker representative)

Bottom-up consultation is performed mainly through periodic surveys aimed at assessing employees' satisfaction and wellbeing. With reference to the organisational structure, Case 2T is structured around three main directorates (Staff, Sales and Operations), which in turn are divided into various areas containing different organisational units. Everyday work is performed within structured and formalised teams, coordinated by a manager and whose members share the same professional roles and belong to the same organisational unit. However, cross-departmental and inter-functional groups, are frequently set up to design and implement specific projects. Control, coordination and improvement of everyday processes is performed through the adoption of a

quality management system. Moreover, on the basis of PRINCE project management method, assessments of the activities performed by project groups are scheduled and carried out by business executives and hierarchical superiors from the various corporate functions involved. Continuous improvement is highly valued at Case 2T: not only a Transformation unit is established reporting directly to the CEO; but the Net Promoter Score (NPS) has been introduced in 2024 to measure customer satisfaction with the products and services provided, in key moments of company-customer relationships (e.g., when a service/product is sold to the customer, when it is delivered, when an incident is managed, etc.). NPS scores are then analysed within focus groups, composed of the workers directly involved in that specific phase of customer relationships, as well as – if needed – professionals from other organisational units, with the aim to outline an ad hoc improvement plan.

While, as before mentioned, communication to the entire workforce about an improvement project usually takes place when it is already developed and ongoing, workers directly concerned with a specific innovation appear to be involved since the beginning, as their knowledge and skills are essential for its implementation. This has occurred with the reference to the technicians involved in the planning of the technological renovation of data centers, as well as the HR team directly contributing to the integration of all HR processes within the new HCM system.

«For example, thinking about the HR department, we are equipped with an HCM *[Human Capital Management]* system for the management of the entire employee life cycle, encompassing recruitment, onboarding, hiring, training, compensation and benefits, performance management. So, all HR processes are now integrated within our HCM system. To do so, that is to enable the integration of all processes, all HR functions did not only the design and writing of all processes, but we turned each process into a system. To help us we had on the one hand the external supplier relating to the technologies that we bought, but also our internal IT department that ensured the progress of the work, and the integration of the various existing systems. So, it has been a job done with the involvement of different company functions». (HR Manager)

Finally, Case 2T allows for a considerable degree of workers' autonomy in the temporal and spatial management of their work, since up to 80 days within six months can be worked, after consulting the hierarchical superior, outside the company premises only in compliance with maximum working time limits and disconnection time slots. Coherently, workers at Case 2T are generally autonomous in organising their activities as long as they achieve the objectives set for them within the framework of the performance management system adopted by the company. It is however worth specifying that workers' autonomy and discretionary power in the management of their tasks may vary across work teams depending on the specific leaders' approach; notably, they cannot fully apply to areas working closely with customers, such as the Customer Support unit, where the timing and procedures to fix an incident or malfunction are quite rigidly written in service-level agreements.

«The – let's say – technical departments, in performing their work, have to be more adherent to the events. Indeed, when we provide a service to customers, we are also bound by so-called service level agreements, which stipulate that in the event of an incident we have a specific resolution timing, so the work must be very timely and proceduralised; therefore, the level of autonomy, inventiveness or deviation from protocols must be very low. That is, there are areas where the level of autonomy is definitely a winning factor, such as the Sales area. Instead, there are areas where the level of autonomy must be lower, and it would be a problem if it were higher». (Industrial Relations Manager)

The interplay with industrial relations

As in Case 1T, the main area of interplay between industrial relations and direct participation is remote working, which was promoted by the trade unions and firstly introduced in the company-level collective agreement in February 2020 as an experimentation limited to certain organisational units; it then expanded in later agreements, in terms of both corporate areas involved and days possibly worked outside premises: the major innovation in 2023 was moving from setting a number of remote working days per week to a number of days that can be spent over a six-month period. A further important provision collectively agreed is the joint bilateral commission, composed of both company and worker representatives, which was initially established to intervene in case of criticalities or problems in the implementation of remote working and recently charged with a more proactive role for the formulation of ideas to improve the overall collective regulation of the issue.

Another area of possible contact between industrial relations and direct participation concerns the NPS, whose scores are not only analysed by the workers concerned within dedicated focus groups also charged with making proposals for improvement, but they are also linked to the payment of a performance-related bonus whose regulation is included in the company-level collective agreement. However, as revealed by a trade union official interviewed, not all indicators associated with the performance-related pay directly depend on workers' contribution.

> «If I am not mistaken, in the performance-related pay, there are also some indicators on the subject of environmental sustainability, that are particularly interesting and not so common in collective agreements. But I think that a problem, which, in my opinion, also stems from a shortcoming on our part, is that the indicators that the company has included are something that we cannot positively affect. It seems to me that there is the construction of photovoltaic plants, the reduction of polluting emissions, etc.: these are interesting things that it is nice and useful to include in a performance-related pay, but workers have little impact on them». (trade union official)

It must be noticed, though, that this does not apply to business executives and workers provided with MBO (Management by Objectives) plans, which turn out to be frequently linked to the level of implementation of innovation projects where the same workers are involved.

With regard to organisational aspects other than working time and remote working, though, industrial relations do not seem to have a role. According to the Industrial Relations Manager, this may derive, on the one hand, from the fact that industrial relations are largely conducted by national trade unionists who do not know organisational dynamics in detail, and on the other hand, from the general satisfaction of workplace labour representatives with Case 2T's management of work organisation.

> «Industrial relations dynamics have certainly changed over time, in the sense that now the national trade unions have taken over and they operate at the corporate central level, and right now they see the new company-level agreement and possibly a new remote working regulation, as goals; and they do not intervene in local, organisational issues by their nature. There are certainly the RSAs who are colleagues and therefore know all the organisational dynamics very well. But quite frankly, at the moment they do not feel the need for involvement on the subject of organisation; that is, they seem to find themselves satisfied

with the internal dynamics, so there is no debate on work organisation and they just listen to the information we give». (Industrial Relations Manager)

The trade unionist interviewed, instead, attributes the lack of industrial relations' involvement in work organisation to the scant competences of both trade unionists and workplace labour representatives in the area, despite its growing importance from a labour perspective. Added to this is also the traditional focus of industrial relations at Case 2T on different topics.

«Certainly, the organisation of work is a frontier for trade unions, but it is clear that it also needs competence, not only of trade unionists but also of RSAs. […]. In my opinion it's not that there are preclusions to intervene on the organisation of work. Rather, there may be a contingency that the trade unions have to manage and perhaps it is also a matter of comfort zone with respect to the competencies and issues that we can most easily claim or manage. But, as far as everything else is concerned, it is an untapped potential. But I mean I can't manage the agenda I have ... I scheduled a meeting during another meeting today, I don't know how I am going to do it». (trade union official)

According to the same trade unionist, the lack of competence on the trade union side, may also depend on the fact that trade union members are generally low skilled workers and not business executives, managers or white-collars, who might have more expertise to be used for the improvement of work organisation. Beyond this, the worker representative interviewed raises the problem that most workers may lack an overall view on business processes, which compromises their capacity of having a say in this domain.

«It depends on where you are placed in the organisational chart, but it is difficult to understand sometimes certain company choices. For employees who work in their own little group of – I don't know – 10 people and follow a certain element of the company process, the company choices may be bizarre, absurd, but they think that way not because they are wrong, but because they don't have a long-term view of the company's choice, so it is difficult to get in them». (worker representative)

Overall impact of the practices and future prospects

Company management declares to be strongly committed to listening to workers, being as transparent as possible and informing them of the various company challenges, goals and available resources. The HR Manager seems to be aware of the importance for workers to have a long-term view and overall perspective on company projects, as moreover expressed by the worker representative interviewed. She/he specifies Case 2T's willingness to intensify its efforts in this direction, given workers' positive feedback in this regard and the demands of some of them for even more openness and involvement. Moreover, worker participation and active contribution are regarded as necessary to allow Case 2T to keep up with the innovations and changes that constantly characterise the telecommunications market.

«The problem is that we are an entity that relies on infrastructure and infrastructure must be maintained, so there is certainly an infrastructure maintenance activity that requires planning and knowledge of the

tools, but on the other hand, we are also an entity that operates in the market with customers, and customers have variable and extemporaneous needs that are not on average knowable beforehand. So, the employee's daily routine is both one of planning, and of unforeseen situations to be managed, so employee involvement and their ability to interact with colleagues are absolutely paramount». (Industrial Relations Manager)

No significant difficulty is reported by management in relation to the implementation of participation procedures which are inherent to Case 2T organisational structure, apart from some workers' attitudes interpreted as a bit passive, and the possible negative impact of remote working on workers' commitment. In this sense, as suggested by the HR Manager, it can be argued that some areas of direct participation may get into conflict with one another: notably, the individual autonomy in the temporal and spatial management of work, by enabling individualisation and isolation, could jeopardise the effectiveness of work teams, project groups and other more 'relational' participation initiatives. Similarly, the worker representative interviewed hints at the risk of loss of corporate identity, as it is built through the direct dialogue with colleagues and the joint development of new ideas. However, she/he also highlights that considering the organisational structure of Case 2T, it is not necessarily the case that going to the office facilitates relations between a working team's members, because they may reside in different territories. Overall, she/he calls for a more fruitful organisation of the days spent in the office.

«Direct dialogue between colleagues is a different thing than just being present remotely. […] It is true that it was wrong that there was no remote working and in fact it was introduced. In my opinion, however, we also need to think about organising office presence a little better, to make it not just a day where you go to the office and nothing changes, but a day that is a little more productive from that point of view ... I don't have clear ideas in mind yet, but we need to find them». (worker representative)

A further critical issue raised by the trade unionist interviewed concerns the reluctance of the middle management towards the development of remote working due to their lack of competence to manage workers remotely, and generally, the difficulty to revise the entire organisation in order to make it efficient even if strongly relying on remote working. To address these issues, training has already been conducted, but further efforts seem to be needed.

As for future prospects, Case 2T appears to be particularly concerned with market dynamics posing more and more emphasis on issues like cloud and cybersecurity, which will require considerable investments in workers' knowledge and skills.

Summary of the case study

Case 2T is a leading large-sized telecommunications provider in Italy that focuses on the B2B market. Established in 2018 through the merger of five companies, Case 2T expanded through additional mergers and acquisitions, ultimately becoming part of a pan-European private equity fund in 2022. The company's services include connectivity, cloud, cybersecurity, data centers (featuring Italy's largest internet hub), and wholesale services for OTT clients. Case 2T aims to support the

digitalisation of Italian companies, requiring continual technological and organizational innovation to stay competitive.

Industrial relations at Case 2T involve four distinct NCLAs, reflecting the recent merger between two former companies covered respectively by telecommunications and services sector's agreements. Union density stands at 24%, with higher rates in specific sites. Case 2T is currently working towards unifying workplace conditions and establishing a comprehensive company-level collective agreement that covers all employees by 2025. The primary focus of collective negotiations, mainly conducted by national trade unionists, has been on issues, such as remote work, performance-related pay, and equal opportunities.

Case 2T actively promotes direct worker participation through structured teams, cross-functional groups, feedback mechanisms like focus groups and satisfaction surveys, and individual autonomy in the management of working time. The essential area of interplay between industrial relations and direct participation is remote working, firstly promoted by the trade unions and now regulated in the company-level collective agreement, which moreover envisages a joint labour-management commission charged with providing ideas on how to improve the topic. With regard to organisational aspects other than working time, industrial relations do not seem to have a role. This is attributed by the Industrial Relations Manager to the fact that industrial relations are largely conducted by national trade unionists who do not know organisational dynamics in detail, and to the general satisfaction of worker representatives with Case 2T's management of work organisation. Worker representatives, instead, point to the lack of specific competences and overall view on business processes compromising their voice in the area.

Worker participation and active contribution are regarded by management as necessary to allow Case 2T to keep up with the innovations and changes that characterise the telecommunications market. Case 2T, however, recognises challenges in sustaining high engagement levels in a remote work environment, where individualisation risks undermining team cohesiveness. Further, middle management has shown reluctance towards remote work expansion. To address these challenges, the company has implemented management training programs, though more comprehensive organisational adaptations are under consideration.

Company characteristics	**Company context.** Case 2T is a leading large-sized telecommunications provider in Italy that focuses on the B2B market. Established in 2018 through the merger of five companies, Case 2T expanded through additional mergers and acquisitions, ultimately becoming part of a pan-European private equity fund in 2022.
	State of innovation. The company's services include connectivity, cloud, cybersecurity, data centers (featuring Italy's largest internet hub), and wholesale services for OTT clients. Case 2T aims to support the digitalisation of Italian companies, requiring continual technological and organizational innovation to stay competitive.
Industrial relations	**Trade union density rate at the company level.** 24%, with higher rates in specific sites. All the three trade union federations signing the NCLA for the tertiary, retail and services sector have members in the company, although FILCAMS-CGIL and UILTUCS-UIL are found to be more representative than FISASCAT-CISL. Very few workers are members of FISTEL-CISL.

	Workplace labour representation structure characteristics. There are overall 10 RSA appointed by all the three sectoral trade unions on the basis of their members, and 1 RSU. They are unevenly distributed across the various premises, with Florence, Verona, Milan and Rome premises boasting the higher number.
	Company-level collective bargaining. It is conducted mainly at the central level with national trade unions covering diverse issues, including equal opportunities, working time and remote working, work-life balance and welfare measures, business travels, performance-related pay and information and consultation procedures. Local negotiations at single premises with worker representatives still occurs as regards specific matters like video surveillance solutions and remote control, health and safety issues, and training plans financed by inter-professional funds. However, since this situation applies only to a part of the workforce, the management has recently decided for the termination of the existing decentralised agreements, in a view of reaching a new comprehensive collective agreement covering the entire company by the end of 2024.
Direct worker participation	**Direct participation as the subject of organisational tools.** 1) Top-down information (via company intranet, webinars, roadshows, etc.) on organisational issues, corporate changes, economic trends, etc.; 2) Surveys on workers' satisfaction and wellbeing; 3) Focus groups to assess the results of the Net Promoter Score and identify possible improvement actions; 4) Individual autonomy over the content (within the framework of the performance management system) and the organisation of work (well-developed remote working), except for people closely working with customers (e.g., the Customer Support unit); 5) Team- and project-based work assessed and coordinated by superiors also within the framework of a quality management system. All above practices are unilaterally designed and implemented by management.
	Direct participation as a vehicle for workplace innovation While communication to the entire workforce about an improvement project usually takes place when it is already developed and ongoing, workers directly concerned with a specific innovation appear to be involved since the beginning, as their knowledge and skills are essential for its implementation. This has occurred with the reference to the technicians involved in the planning of the technological renovation of data centers, as well as the HR team directly contributing to the integration of all HR processes within the new HCM system. Top-down information, bottom-up consultation (partly, joint assessment), and individual autonomy over the content and the organisation of work are the main forms of direct participation at Case 2T.
The role of industrial relations in direct worker participation	The essential area of interplay between industrial relations and direct participation is remote working, which was promoted by the trade unions and firstly introduced in the company-level collective agreement in February 2020 as an experimentation limited to certain organisational units; it then expanded in later agreements, in terms of both corporate areas involved and days possibly worked outside premises: the major innovation in 2023 was moving from setting a number of remote working days per week to a number of days that can be spent over a six-month period. A further important provision collectively agreed is the joint bilateral commission, composed of both company and worker representatives,

	which was initially established to intervene in case of criticalities or problems in the implementation of remote working and recently charged with a more proactive role for the formulation of ideas to improve the overall collective regulation of the issue. With regard to the other organisational aspects, industrial relations do not seem to have a role.
	Model of integration b/w direct participation and industrial relations There are elements of both the HRM model (with direct participation practices significantly developed and worker representatives largely not involved in the area) and the bipartite (adversarial) model (with collective bargaining mainly focused on traditional normative issues).
	Breadth and depth of participation Both breadth and depth are not particularly developed. As regards the breadth, worker participation tackles strategic, organisational and executive issues through both representative and direct voice. However, there are limits to the intensity and scope of both representative and direct voice. Indeed, worker representatives are unevenly distributed across the various sites and largely not involved in organisational issues. Moreover, the functional integration between different practices seems not to be promoted. As regards the depth, participation practices seem to be quite legitimised by the actors involved. However, their institutional embeddedness would mainly occur in informal ways or unilateral managerial procedures, apart from the role of collective bargaining in regulating individual autonomy over the management of time
Difficulties	1) Passive attitude of some workers; 2) Possible negative impact of remote working, jeopardising the effectiveness of work teams, project groups and other more 'relational' participation initiative; 3) Reluctance of middle management towards the development of remote working.
Impacts	Worker participation and active contribution are regarded by management as necessary to allow Case 2T to keep up with the innovations and changes that characterise the telecommunications market. There is workers' positive feedback and increasing demands for more openness and involvement.
Future prospects	Case 2T appears to be particularly concerned with market dynamics posing more and more emphasis on issues like cloud and cybersecurity, which will require considerable investments in workers' knowledge and skills.

5.3. Discussion of the case studies

Direct participation in companies covered by industrial relations: objectives and spheres of action

As documented in much of the national literature (see Chapter 3), direct participation in the analysed companies stems from a managerial initiative. As already observed by Campagna and Pero (2017), direct participation in the analysed companies may be deployed as both an organisational

tool and a vehicle for specific innovation projects. If used as an organisational tool, it is more stable and structured, while direct participation practices introduced to accompany specific innovation projects are inevitably more temporary and linked to the projects' duration. Interestingly, whereas certain practices like professional communities, work teams, etc. seem to act exclusively as organisational tools (at best as a result of previous innovation projects like self-managed rotation teams in Case 1M), and other initiatives like workshops would serve exclusively to ease the implementation of specific innovations, there are further practices like focus or improvement groups that turn out to be used in both ways: for instance, in Case 2T, focus groups are a well-established way of periodic analysis and evaluation of NPS scores, whereas in Case 1M small groups of workers are set up for the in-depth analysis of a specific technical project.

Whether used as an organisational tool or as a vehicle for innovation, direct participation tends to focus on executive/operational aspects, relating to the daily management of work organisation, the execution of single tasks and problems and improvements of specific departments or units (Baglioni, 2001; Knudsen at al., 2011), which are traditionally excluded from industrial relations. In this regard, also Townsend et al. (2012) demonstrated that informal voice exchanges between employees and their managers, by acting at the 'local' level (i.e., about decisions with line managers), may partly – though not completely – fill the gaps left behind by formal employee participation channels, mainly concentrating on 'medium' and 'distant' levels of company decision-making, involving middle and top managers and department heads. However, according to the analysed company cases, direct worker participation could also address managerial/tactical issues, referring to HRM and the implementation of strategic choices at the organisational level, involving themes like working time, health and safety, worker training, etc. (Baglioni, 2011; Knudsen at al., 2011), where industrial relations in Italy are also traditionally involved. By contrast, and in line with previous literature (e.g., Pateman, 1970), workers are not directly involved in company decision-making concerning strategic issues: at most, as in Cases 1T and 2T they are informed about strategic decisions already made by management. As proved by Case 1M where an innovative investment plan was negotiated, worker participation in the area of strategic choices is essentially mediated by representation.

As regards the intensity of direct participation, the lowest degrees, including top-down information (over executive, managerial and strategic issues) and bottom-up and joint consultation and analysis (over executive and managerial issues), are detectable in all analysed cases. By contrast, co-decision has emerged only from Cases 1M and 2M, albeit within 'hybrid' commissions or groups, i.e., composed of individual workers, managers as well as worker representatives. Representative voice would indeed continue to be the main channel for joint labour-management decision-making. Conversely, it is only directly, without mediation by representation, that workers can be delegated some responsibility for the content and/or the temporal and spatial organisation of their work. This highly intensive form of participation (i.e., worker autonomy) can be found, especially at the individual level, in the companies of the advanced tertiary sector (which have, moreover, developed quite advanced practices of time flexibility and remote working), although autonomous work teams have also recently been introduced in Case 1M. Importantly, interviews conducted at Case 2T revealed the risk that worker autonomy over the organisation of time and place of work, by enabling individualisation and isolation, could compromise the effectiveness of other more 'relational' direct participation practices, such as team work and project groups. This, however, may not apply to all workers, since some of them may work in a team composed of members residing in different territories, that can be reached out better through online tools rather than going to the office.

Finally, all analysed company cases boast the coexistence of many direct participation practices, which in some cases (i.e., Cases 1M and 2M) interact with one another. For instance, in Case 2M, suggestion schemes have been recently integrated into the working groups' agenda: suggestions can indeed be communicated directly by the operators to the department heads or the team leaders (where available), while the working groups are tasked with reviewing and acting on these suggestions. According to Cox et al. (2006), these mechanisms would enforce the network embeddedness, also known as the 'breadth' of worker participation in all selected companies.

The interplay of direct participation and industrial relations: key topics and explanatory factors

The analysis revealed two main areas (coincidentally identified in manufacturing and the advanced tertiary sector respectively) in which direct and representative participation not only coexist but also functionally interact, to the benefit of both the 'breadth' (i.e., network embeddedness) and 'depth' (i.e., institutional embeddedness) of worker voice (Cox et al., 2006). In the advanced tertiary sector, although direct participation has permeated several managerial/tactical areas (such as career development, welfare, etc.), industrial relations seem to try to govern it almost exclusively in the field of working time flexibility and autonomy, probably due to the particular attention casted by workers to the topic over the last years (mainly following the Covid-19 pandemic) and the responsibility attributed to collective bargaining by the 'National Protocol on Smart Working' reached by the government and several national social partner organisations on December 7, 2021. Both Cases 1T and 2T are indeed covered by company-level collective bargaining providing a normative framework for the adoption of remote working and further working time flexibilities. Conversely, in the other managerial fields (like welfare and work-life balance, worker training and career development, etc.) where direct participation is also applied, it usually develops by the means of surveys, suggestion schemes, focus groups, self-assessment templates, professional communities, etc. These tools, though functional to the improvement of above-mentioned managerial areas, do not generally constitute the content of collective negotiations or social dialogue procedures, which tend to concentrate more on issues like workers' right to training and the adoption of specific welfare solutions, rather than on the instruments to detect worker training and welfare needs and/or to favour worker self-determination in these fields.

By contrast, in the manufacturing sector, industrial relations contributed to the definition and development of direct participation in relation to the implementation of specific technological/organisational innovation projects: an area of integration between direct and representative participation which has moreover been well documented in literature (see Chapter 3) and envisaged by the tax legislation in force since 2016 and applicable to the whole private sector. Apart from the company need to undertake a specific innovation path (which in any case should be a fairly recurring circumstance in Italian companies in the era of continuous improvement and need to evolve in order to keep on operating in markets subject to constant competitive pressures and challenges), key factors explaining why this situation materialised only in Cases 1M and 2M appear to be particularly related to industrial relations structures and actors at company level, which somehow mirror the industrial relations features of the manufacturing industry itself.

On the one hand, indeed, from a more structural viewpoint, it would be again the 'depth', this time of industrial relations (Clegg, 1976), intended as the significant presence of workplace labour representation bodies and negotiation dynamics played out from the central/corporate-level to the single sites, that would contribute to a greater knowledge on the part of worker representatives on

executive and organisational issues (on which innovation projects usually develop in workplaces) and to their greater involvement in consultation and joint examination procedures at workplace level (through which industrial relations may govern and coordinate developmental issues, as moreover highlighted in literature (Armaroli, 2019; Ponzellini & Della Rocca, 2015)). These conditions are found in Cases 1M and 2M, while they do not apply to Cases 1T and 2T where workplace labour representatives cover only a few sites and collective bargaining is mainly conducted at the central/corporate level given the highly fragmented and multi-located character of the companies in the sector. Considering the common institutional setting covering the manufacturing and advanced tertiary sectors in Italy, the capacity of worker representatives to impinge on managerial choices in the field of workplace innovation turns out to particularly rely on their associational power and structural attributes (Ahlstrand & Gautié, 2023; Looise et al., 2011; Rutherford & Frangi, 2020; Signoretti, 2019). Indeed, as moreover discussed during the national workshop held in January 2025, it would seem to weigh on the scant 'depth' of labour representation in Cases 1T and 2T, also the difficulty of organising the high professional figures that characterise the advanced tertiary sector and that already enjoy wide margins of control and governance over their work; a representativeness gap that, as emerged in the interview with a worker representative in Case 2T, would limit the labour representation's ability to have a clear and all-encompassing vision of company organisational processes and thus to exercise a voice in this area.

Of particular interest is then to note the importance in Case 1M (which is a large, multi-located company) of the 'coordination' between different levels of representation and industrial relations, in particular thanks to the role of the national trade union, which by negotiating an investment plan and productivity targets with central management, paved the way for the involvement of the RSU at plant level in the definition of a project for (direct and representative) participation in organisational innovation.

On the other hand, the orientations of industrial relations' actors would play a role as well (in this vein, also Ahlstrand & Gautié, 2023; Armaroli, 2022; Johansson et al., 2013; Signoretti, 2019). More specifically, worker representatives and trade unions in the advanced tertiary sector do not seem to be particularly interested in promoting direct participation. And this could be partly linked to what has already been written, i.e., the scarce 'penetration' of industrial relations in organisational dynamics; yet, it could also depend on the fact that, unlike manufacturing companies which more usually still adopt Fordist production methods, companies in the advanced tertiary sector are forced, due to the nature of their business (requiring direct interaction between companies and clients, flexibility and creativity, etc.) and the characteristics of their workforce, to spontaneously structure their work organisation in such a way as to favour broad levels of autonomy and participation. Consequently, there is no perceived urgency on the part of worker representatives in the advanced tertiary sector to further promote this dimension. In addition, the constant changes in the company perimeters, especially in Case 2T, in the face of continuous mergers and incorporations, would force the social partners to focus mainly on regulatory issues related to the need to review and standardise working conditions; such structural and regulatory instability, along with the scant presence of workplace labour representatives, would moreover compromise the joint labour-management definition of organisational or technological innovation paths.

By contrast, as moreover emerged from other empirical research on the same trade union federation (Armaroli, 2022; Codara & Sgobbi, 2022), the metalworking trade unionist interviewed for Case 2M appears to be very keen on developing direct participation as a vehicle for pursuing one

of the union's traditional objectives, i.e., the emancipation of workers in the company, which he/she sees as not yet fully realised in manufacturing settings. In the manufacturing sector, this approach would seem to be further backed by the orientations of national-level social partners, as demonstrated by the inclusion in the interconfederal agreement of March 9, 2018 signed by Confindustria and CGIL, CISL and UIL, of organisational participation as one of the topics on which to focus bargaining action, as well as by the possibility for worker representatives and companies in the metalworking sector to sign so-called 'Protocols on participation' where regulating advanced forms of worker participation in work organisation, as envisaged by the latest renewal of the main sectoral NCLA. It is therefore no wonder that in 2018, Assolombarda, a local branch of the employers' association, Confindustria, organised a training seminar on direct worker participation, which ended up playing a role in convincing Case 2M's management to formalise direct participation practices in a collective agreement, after acknowledging the importance of labour representation as a possible organisational partner to foster workers' acceptance of change. Importantly, in Case 1M the attitude of management in favour of undertaking a joint innovation path has been further enabled and supported by the intervention (suggested to company management by Assolombarda) of the same two external experts, who also held the training seminar organised by Assolombarda. Therefore, the role of this local employers' association in the sharing of knowledge and experience in this field and promoting joint labour-management innovation paths should not be underestimated.

Looking at companies within the same sector, the comparison between Case 1M and Case 2M appears particularly interesting as it allows us to verify that an intervention of industrial relations in direct participation for workplace innovation can occur in companies that are different from each other, e.g., in terms of company size and positioning in the value chain. What seems to make the difference and favour the involvement of industrial relations in this area in both the selected manufacturing company, instead, seems to be: the sensitivity and commitment of the company management towards worker participation (also Ahlstrand & Gautié, 2023); the inclusion of the company in a network of relations with employers' associations, research centres and big industrial players, that stimulate company creativity and innovativeness in various field (this is particularly relevant for a small and medium enterprise like Case 2M); the favourable industrial relations climate at company level.

Finally, as regards the role of the contributory incentives foreseen in the Budget Laws since 2016, they do not appear to be incisive in the initiation of direct worker participation practices: as proved by the most recent reports of the Ministry of Labour and Social Policies, their development is still quite scarce (see Chapter 3). However, in Case 2M, they somehow contributed to convince the management to include direct participation in a collective agreement as an attempt to further stimulate workers' involvement. Conversely, where, as in the companies analysed in the advanced tertiary sector, the conditions for exploiting the tax lever (such as the diffusion of labour representation in the workplace and a favourable attitude on the part of both management and worker representatives, possibly backed by national-level social partners' orientations and collective bargaining provisions) are lacking, those same incentives do not seem to count.

The dynamics highlighted in this national report would thus confirm the context-specific patterns of interaction between representative and direct worker participation, which are found to derive from the specific tensions between the ideas and orientations of labour representation and the institutional, material and structural conditions affecting its capacity to affirm and pursue them (Armaroli et al., 2024; Dupuis & Massicotte, 2025).

Direct participation and industrial relations: possible ways of interaction

Stronger forms of worker representatives' involvement in direct participation, emerged from the analysed companies, encompass their contribution to the definition, coordination and monitoring of these practices. Notably, worker representatives may contribute to defining direct participation practices within a collective agreement (especially when, as in Cases 1T and 2T, it is necessary to collectively regulate a normative/managerial issue like working time autonomy) or a joint innovation plan (especially when, as in Cases 1M and 2M, it is necessary to provide for participation practices supporting a process of organisational or technological change). In the first case, the collective agreement provides a regulatory framework applicable to all company sites, within which workers' autonomy over the organisation of time and place of work can immediately take place. In particular, it defines the specific workers who benefit from organisational autonomy and flexibility, the ways in which workers must interface with their supervisors in order to take advantage of these possibilities, precise rules about overtime and overtime work, time limits and disconnection periods, etc. By contrast, a joint innovation plan usually refers to specific company sites and defines a range of direct participation practices that are integrated with each other (in the sense that they often cannot take place at the same time, but the development of one can occur only as a result of the implementation of the other), as well as functional to the development of a specific organisational innovation. Coherently, following Abildgaard et al. (2020)'s conceptualisation, this kind of workplace innovation projects, at least on the basis of their formal definition and structure, can be intended as truly participatory, since workers are enabled to exert a certain influence over the content and the process of the specific intervention, and they are not simply called to take part in activities aimed at pre-set goals; by contrast, the engagement of workers within a workplace intervention pre-defined by management is detectable in Case 2T as regards the project of integration of all HR processes within a new HCM system. Interestingly then, as far as our case studies are concerned, truly participatory interventions seem to be particularly favoured in those contexts where labour representatives, and not only workers, are interested and involved in these developmental processes.

Furthermore, it should be mentioned that the content of an innovation plan appears to be more difficult to implement than the content of a collective agreement on flexible work, given its necessary consequentiality and dependence on actions that must be implemented beforehand, which makes it impossible to rigidly define it a priori. Coherently, though required by the Tax Agency itself for access to the incentives, it has been argued that the draft of ad hoc innovation plans is particularly due to the degree of dynamism and flexibility of workplace change processes, which cannot be strictly regulated in normative clauses, but rather rely on more continuous and flexible procedural aspects (i.e., the establishment of working groups, the organisation of information and training activities, etc.) and more adaptable work plans to succeed (Armaroli, 2022).

Importantly, the role of worker representatives in Cases 1M and 2M, given their inclusion in technical 'hybrid' commissions, is not limited to the definition and coordination of direct participation practices functional to the implementation of the innovation project, but also goes as far as the critical review and analysis of those executive issues (e.g., the technical design of a new assembly line, the analysis of non-conformity and waste problems) that are at the heart of the innovation project itself, with possible implications for industrial relations, in terms of both worker representatives' skills and their relationships with the rank-and-file (Armaroli, 2019). However, it is worth underlining that despite the formal involvement of Case 2M's worker representatives in the

draft of the 'Innovation Plan' and in its implementation and coordination as part of technical working groups, the interviews with worker representatives revealed that though effectively helping in the implementation phase of the organisational change, intercepting the possible perplexities of the workers and working to overcome them, due to a lack of both adequate competences and time, they struggle to bring their concrete contribution in the definition of direct participation practices as well as in the analysis of the technical issues which are subject of the innovation project itself. As a result, in Case 2M, despite the formal presence of joint procedures and bodies, managers and technicians still appear to hold a privileged and majority voice in the definition and implementation of participatory innovation projects. Conversely, in Case 1M, this problem seems to have been circumvented thanks to the intervention of two external experts who acted as advocates for the effective voice of labour representation in these processes. The importance of external professionals and consultants has also emerged from national literature (e.g., Armaroli, 2019; Codara & Sgobbi, 2022).

Moreover, as already observed in previous national research (Carreri et al., 2024; Cisl, 2019; Pero & Ponzellini, 2017), the role of collective bargaining is not diminished, and indeed it intervenes in the definition of 'hybrid' commissions for the coordination and monitoring of direct participation (as we can see from cases 1M, 2M and 2T), as well as in the regulation of performance bonuses partly linked to the degree of development and outcomes of direct participation practices themselves (as in cases 2M and 2T). However, some other topics which are functional to the implementation of direct participation practices, are not always defined by collective bargaining. For instance, in Case 2M, training modules are mentioned in the 'Innovation Plan', drafted by the employer in agreement with the worker representatives, but they seem to be already decided and developed by the management (through its corporate Academy).

Direct participation practices (whether functional to a broader innovation project or not) may be monitored and coordinated over time by worker representatives especially within joint labour-management commissions, specifically set up in company-level collective agreements, as occurred in Cases 1M, 2M and 2T. In Case 1M, worker representatives oversee the implementation of direct participation, also by taking part in the meetings of small worker groups for the joint analysis of technical change. Finally, the role of worker representatives may extend to controlling the impacts of direct participation, as occurred in Case 1M, where the 'hybrid' commission, composed of worker representatives, technicians and production managers, assessed the outcomes of the start-up phase of the specific participatory intervention in terms of both productivity and worker wellbeing, the latter through a further direct participation tool, i.e., a dedicated survey with workers.

By contrast, weaker forms of industrial relations' involvement in direct participation do not envisage any role of worker representatives in either the definition of the content or the definition and coordination of the process of participatory change (see also Abildgaard et al., 2020). They can only be informed about direct participation practices once already defined by management. At most, as in Case 1T, worker representatives can choose to intervene in a more traditional way, that is after a specific participation practice is decided by management, as a watchdog during its implementation, collecting possible criticalities from workers and reporting them to management.

Overall, by relying on the models of integration between representative and direct worker participation outlined in BroadVoice's analytical framework (Armaroli et al., 2024), Cases 1T and 2T could represent a mix between the HRM model and the bipartite (adversarial) model. In fact, direct worker participation channels would seem to be fairly developed through purely managerial initiative, while labour representation is scarcely present in workplaces, but nevertheless operates

at the corporate/central level where it intervenes in a normative/traditional function by signing company-level collective agreements that allow regulation of an area of direct participation with high normative content, namely worker individual autonomy over time and place of work. In contrast, Cases 1M and 2M seem more ascribable to the hybrid (cooperative) and democratic (participatory) models, where the interest and proactivity of labour representation even at workplace level as well as its formal inclusion in joint bodies dedicated to the consultation and review on direct participation and organisational innovation, allow it to play a role in coordinating and implementing these processes, although it is not always effectively empowered to help define concrete participatory and innovation practices.

The interplay of direct participation and industrial relations: what outcomes?

The impacts of direct participation practices are not always specifically monitored at the company level, thus creating a significant gap in the evaluation of these experiences. More often, as in Case 1T, companies periodically evaluate certain economic performance indicators but without a clear relationship to the specific practices of worker involvement in the organisation of work. In addition, worker well-being also tends to be screened through questionnaires that generally address staff satisfaction and working conditions, as in Cases 1T, 2T and 2M. In the context of specific participatory innovation projects, however, it is easier to conduct ad hoc monitoring. This is especially the case in Case 1M, where both productivity and quality of work impacts were measured through a specific survey developed in the joint labour-management committee. In both areas, the evaluations are very positive by confirming the possibilities for a fruitful interplay between worker participation and workplace innovation (Olsson al., 2024; Ullrich et al., 2023; Vereycken et al., 2021; Wengel & Wallmeier, 1999). In Case 2M, on the other hand, the innovation project launched in 2019 and already completed (on schedule: and this is a positive aspect according to the company) does not appear to have been carefully monitored especially from the point of view of worker impacts. In general, despite the exception of Case 1M, labour representation (while sometimes acknowledging the importance of this phase) hardly seems to play a role in measuring the impacts of participatory practices, which is thus largely left to managerial will and action.

However, in almost all of the company cases analysed, interviewees express general satisfaction with the participatory practices undertaken, speaking of increased worker motivation, their desire to participate as well as the company's need to involve workers for the continuous improvement of organisational and economic performance (in this vein, also Holland et al., 2011; Looise et al., 2011). However, there is no shortage of critical issues that have not been entirely overcome, such as the passive and reluctant attitude of certain workers and the reticence of middle management, on which companies and worker representatives (where involved) try to intervene through more widespread awareness-raising and training actions. With respect to the future, worker representatives in Case 1M raise risks also proven in the literature (Strauss, 2006) of unsustainability of participation in the long run, fearing specifically that the company's participatory approach may fail as new market problems emerge. Instead, in Case 2T some interviewees denounce the risk that worker autonomy in the spatial and temporal management of their work could lead to phenomena of individualisation and isolation and the loss of a shared corporate identity.

As regards the impact on industrial relations of their involvement in direct worker participation, the only reported evidence comes from Case 1M, where an improvement in the labour-management climate emerged from the interviews, along with the possibility for a new model of industrial

relations, linking corporate/central level collective bargaining over strategic issues with representative and direct worker participation over organisational aspects at the workplace level. Possibilities for a positive interplay between collective bargaining and worker participation have been moreover already detected and promoted in national and international literature (Carreri et al., 2024; Cisl, 2019; Cressey et al., 2013; Pero & Ponzellini, 2017).

6. General conclusions and recommendations

From the analysis conducted in this report, we can draw the following conclusions and related recommendations:

1. **Direct and representative participation can complement with one another whether they intervene in overlapping or in different fields of action.**

Coherently with literature, in Italian workplaces, direct and representative worker participation may frequently coexist (Dupuis & Massicotte, 2025). They generally do not interact with one another, although not always they focus on different scopes. In addition to executive/operational aspects (related e.g., to production lines' efficiency, which industrial relations generally do not focus on) (see also Townsend et al., 2012), direct participation is applied also to training, welfare, working time, etc., which are traditional subjects of collective negotiations in Italy.

However, there is no reason to believe that direct and representative worker participation are mutually exclusive; on the contrary, they could work together, to the benefit of both workers and companies, even in common spheres of interest, as the collective regulation of working time autonomy and flexibility (in Cases 1T and 2T) well demonstrates.

ith reference to strategic issues, instead, and in line with literature (e.g., Pateman, 1970), stronger worker voice usually develops through representation. Yet, as Case 1M shows, it was precisely thanks to the involvement of a national trade union in information and consultation procedures over the company industrial plan, that worker representatives were able, albeit with difficulty, to get to the point of a site-level project for (direct and representative) participation in organisational innovation. It is by virtue of this dynamic that we can use the metaphor of 'communicating vessels' to explain that representative and direct participation, even when intervening in different decision-making spheres, can benefit from each other, and in particular that starting from the enhancement of labour representation on strategic and managerial/tactical issues, it is possible to foster the development of direct participation practices on executive/operational aspects, which in turn, by providing greater knowledge of production dynamics, can better inform the dialogue between company management and worker representatives (in this vein, also Carreri et al., 2024).

Recommendation: In this sense, with a view to supportive legislation or collective bargaining, it may be necessary to foster the fact that the different forms of participation (strategic, managerial and direct) support each other; the coordination between the various channels of participation can allow for their mutual strengthening, which is otherwise prevented.

2. **Representative voice (traditionally focusing 'upstream' of company decision making) may expand 'downstream' while trying to govern direct participation.**

Examples of interplay between direct and representative worker participation are found in relation to working time (despite the various managerial/tactical issues that managerial-led direct participation is already tackling in Italian companies), as well as in the area of workplace innovation.

As regards the involvement of labour representation in the regulation of direct participation developed in the domain of working time, it can be explained by the fact that in this case, direct participation takes the form of working time autonomy and flexibility: i.e., organisational solutions which are traditionally subject of industrial relations and workers' individual demands. By contrast,

in the other managerial fields (like welfare and work-life balance, worker training and career development, etc.) where direct participation is also applied, it usually develops by the means of surveys, suggestion schemes, focus groups, self-assessment templates, professional communities, etc.: i.e., specific tools (functional to the improvement of above-mentioned work organisational fields) which are generally neither the content of collective negotiations, nor the subject of trade union agendas; the latter concentrating more on workers' rights to receive training and benefit from specific welfare solutions, rather than on the instruments to detect worker training and welfare needs and to favour a certain degree of worker self-determination in this area.

Conversely, with reference to the contribution of labour representation to workplace innovation, this is found to occur in those work settings where, also thanks to some structural and associational features (possibly related also to the type of business activity, companies' organisational structure and the characteristics of the workforce), industrial relations are well developed from central to site level and worker representatives are willing to have a role in this field; given these conditions, the involvement of worker representatives turns out to be accepted and backed by management as it can support workers' acceptance of change and their direct participation.

In these cases, we see industrial relations (traditionally focusing 'upstream' of company decision making) expanding their influence 'downstream' to executive matters, with the participation of worker representatives in joint labour-management committees not only dedicated to defining enabling measures for the operative/organisational change but also to designing the technical content of innovation projects themselves. As observed in literature (Armaroli, 2019), the traditional boundaries of labour representation and negotiation would subsequently expand to the field of co-design and co-governance of innovation, with an impact on the relationships between the trade union leadership and its rank-and-file (the latter possibly disoriented by this new trade union role), as well as on the skills and expertise needed by labour representation (now entailing also the ability to define and develop real innovation projects). In Case 1M, the two external experts helped worker representatives develop new skills and put them at the service of the workplace innovation project.

Recommendation: Considering this potential change in the role and functions of labour representation, it may be recommended that trade unions and worker representatives conduct analyses on the new competences and skills needed and the strategies (e.g., joint labour-management training on key technical topics, additional leaves for worker representatives, possibility of resorting to external experts, etc.) to get them, as well as on the implications of this original engagement in workplace innovation for workers' attitudes and orientation towards labour representation. Moreover, trade unions and worker representatives should investigate the ways through which such expansion of their role can be communicated and promoted to workers without disorienting or disaffecting them.

By contrast, the involvement of labour representation in the area of working time autonomy, by mainly implying the definition of a regulatory framework and some monitoring procedures of its application, does not seem to entail any substantial change in the traditional sphere of action of industrial relations and in the competences of their actors.

3. **The 'depth' and 'breadth' of participation may increase, as does worker representatives' control over direct participation.**

As observed in the analysed companies (though at different degrees), not only the overall 'breadth' of participation increases thanks to the complementary role of direct and representative participation (especially when different participation channels are combined and interact with one another), but also the 'depth' of participation is boosted, since industrial relations and direct participation are functionally integrated with the former playing a role in defining, implementing and monitoring the latter, thus embedding it into an formal institutional framework (Cox et al., 2006). The 'depth' further increases when the various forms of worker participation are combined with one another from the strategic ('upstream') to the executive ('downstream') fields of company decision-making (as in Case 1M).

However, to make this happen, industrial relations should boast certain characteristics:

- the pervasiveness of labour representation in the workplace and, with reference to large and multi-located companies, the 'coordination' between the various levels of company-level industrial relations and labour representation; this condition is particularly required in relation to worker representatives' involvement in organisational/executive issues (such as within the framework of an innovation project developed at workplace level), whereas the collective definition of working time autonomy solutions turns out to be feasible just via central/corporate level collective bargaining;
- the orientation and preparation of worker representatives;
- the openness of all workplace actors to engage in participatory procedures.

Only if these conditions are in place can industrial relations concretely contribute to the regulation and implementation of direct participation, as well as to the control over its impacts.

4. **Representative voice at the crossroads between the risk of losing ground and that of losing its true nature? The focus over the broader objectives of workers equity and voice as the only way out.**

The case studies show that trade union representation might be at a crossroads.

On the one hand, as regards direct participation on managerial issues, it is undeniable that this is gaining ground, in the form of organisational tools managed by companies and aimed at improving various areas that are also traditionally subject of industrial relations (e.g., worker training, welfare, working time, work-life balance). Faced with this trend, labour representation in Italy would tend not to intervene, except on those direct participation matters that are specifically demanded by workers (e.g., working time autonomy and flexibility). On everything else, labour representation seems to know little and/or to be disinterested, preferring to focus on other focal issues (such as wages) or to pursue related normative demands (e.g., right to training, specific welfare solutions) while neglecting the role that direct participation is already playing. However, it is precisely the managerial-led implementation of direct participation practices in these areas that highlights the existing worker voice gap (see also Townsend et al., 2012) and how useful worker involvement can be in improving issues like welfare, work-life balance and training policies, on which the same labour representation wants to intervene. Subsequently, it appears reasonable to claim that also worker representatives, by getting engaged in direct participation practices in coordination with management, could improve their representative and contractual action. Otherwise, should they continue to choose not to do so, they would be accepting to play a complementary but not

integrated role with direct participation, with the consequent risk of worsening organisational commitment and job satisfaction (Cox et al., 2006) and even depowering their action. Interestingly, Moore & Miljus (1989) proved that the higher the degree of integration between collective bargaining and worker participation, the greater could be the satisfaction of labour leaders with the overall labour-management relationships, their role as worker representatives and their view of the unions as effectively meeting members' needs and expectations. After all, if the role of labour representation were to serve exclusively to bring forward normative demands that do not arise from a real and timely assessment of workers' feelings and desires, it could easily be replaced, especially in those contexts in which it is already particularly weak, by direct participation practices initiated unilaterally by the company.

On the other hand, when it comes to innovation projects aimed at boosting direct participation in executive/operational issues, worker representatives are found to get involved with the intention, not only to control the change process and its implications for working conditions, but also (such as in Case 2M) to contribute to the promotion of the emancipation of workers in the company, intending direct participation as a goal of trade union action, even before any specific workers' demands in this direction. However, in so doing, worker representatives may end up intervening in new arenas (those of the co-design and co-governance of workplace innovation) and bodies (e.g., 'hybrid' labour-management committees), which might lead them to question how to preserve their traditional function and mission, avoiding the risk of becoming a mere technical structure cooptated by and partnering with the company (see also, Bacon & Blyton, 2004; Gollan & Xu, 2015).

Recommendation: To do so, it would be important that labour representation does not lose sight of the overall objectives of industrial relations, which are not only to provide workers with channels of participation and expression, but also to find a sustainable balance between at least three instances at stake: *equity* (i.e., fair and just treatment of workers), *efficiency* (i.e., economic objectives of companies) and *voice* (i.e., employees' involvement in shaping the work environment) (Budd, 2004). As a matter of fact, these fundamental goals already proved to be better balanced in work settings where both direct and representative forms of voice co-exist (Pohler & Luchak, 2014). However, our research suggests that this balance cannot be taken for granted even in unionised workplaces; yet, it needs that labour representation shifts the focus from direct participation practices (in the forms of working time autonomy, self-managed teams, etc.) as mere goals in themselves, to the broader and more ambitious prospect of pursuing both worker *voice* and *equity* (of course in a balance with *efficiency*), thus evaluating and shaping direct participation practices on the basis of these wider and more far-sighted criteria. Then, even if all workers (e.g., at the end of the life cycle of an innovation project) could self-determine in their work, the role of worker representatives would not be diminished, as advocates and guarantors that the individual's self-determination processes bring concrete social, democratic and economic benefits for the individual and the overall workplace community. This can be done, as observed in literature (Cook et al., 2020; Cox et al., 2006; Moore & Miljus, 1989; Mowbray et al., 2021; Vernon & Brewster, 2013), e.g., by ensuring that employers make participation practices really meaningful to workers and genuinely engage with them; by favouring the sustainability of direct participation over time and making it contributing specific employee and organisational benefits as well as improvements in labour-management relationships.

The former is a hypothesis of integration between direct and representative participation that eschews any aprioristic approval, and on the contrary, passes through the strengthening of the traditional functions of labour representation and industrial relations, also with regard to direct

worker participation. This approach, on closer inspection, should apply to all cases where labour representation is called to deal with direct participation. Only in this way, indeed, could worker representatives, in the face of direct participation applied as an HRM tool, avoid the real danger of being downgraded to a mere alternative to direct forms of expression, and thus succumbing to their inexorable rise; and on the other hand, especially in the light of workplace participatory innovation project, could they prevent the no less unhappy prospect of being bent to the operational sidekick of company management, functional to the achievement of the objectives that the company alone attributes to participation.

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