

Management practices in companies and social policies in France:

Lessons from an international comparison (Germany, Ireland, Italy, Sweden) and research

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- **APPENDICES (VOLUME 2)**

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RAPPORT

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This appendix is based on the findings of an analysis of the extensive documentation available and from some sixty contacts consulted by the mission on management practices in France:

- Public representatives,
- Representatives of trade unions and employers' organisations,
- Representatives of companies or company clubs,
- Researchers and representatives of *think tanks*.

1 The findings from the analyses on management in France are not very flattering on the whole

Research or dissemination¹ work describes French management as generally inadequate, based on various and often incomparable criteria:

- Most international rankings are based on the results of Eurofound's working conditions surveys, the results of which appear to be mixed for France (see below);
- These sources can be combined with other sources incorporating international comparisons such as the annual IFOP survey of French, German and UK employees²;
- At the national level, the DARES surveys provide insight into the changes in management-related indicators, in particular factors related to psychological stress³.

1.1 International rankings most often place France in a middling or sometimes poor position

Several European data sources can be used to position France in terms of professional practices and more specifically occupational health management:

- Administrative monitoring carried out by Eurostat on accidents in the workplace and occupational diseases;
- Employee surveys:
 - Eurostat's EU Labour Force survey,
 - Eurofound's European Working Conditions Survey (EWCS),
- Surveys conducted with companies:
 - Eurofound's European Company Survey (ECS),

¹ See a recent summary in the press: Alternatives Economiques, *Enquête sur le management à la française – autoritaire, technocratique, vertical*, February 2024.

² Set out in such documents as "Le nouveau rôle central des managers et l'enjeu de la reconnaissance au travail", IFOP Focus No. 233, September 2022 or "Je t'aime, moi non plus", *les ambivalences du nouveau rapport au travail*, IFOP Focus No. 234, January 2023

³ This includes the Working Conditions Survey (2019). During the health crisis, DARES replaced the TraCov survey. The Response survey also deals with such topics as working time organisation, wages, dialogue between the company and employee representatives and disputes. Finally, the Sumer survey conducted among occupational physicians enables employees' exposure to occupational hazards to be measured.



- EU-OSHA’s European Survey of Enterprises on New and Emerging Risks (ESENER).

These last three surveys mainly help us to see France's position in the field of occupational health, and a number of the questions posed enable us to gain insight into the specific situation of management practices as a whole.

Most of the academic work comes from analyses based on Eurofound’s work. These surveys place France in a relatively unfavourable position.

1.1.1 The analyses based on Eurofound’s European surveys on working conditions generally place France in a less than flattering position

If we look only at the dimensions reported by the 4th Eurofound working conditions survey (EWCS)⁴, France’s results appeared to be mixed in terms of work organisation. These public elements were based on the survey conducted in 2015:

- France was ranked in the top third of European countries in terms of health perception by workers.
- If we look at the detail, France scored poorly in terms of the physical environment/physical constraints (postures, chemical agents) but better in terms of work intensity; very well in terms of the actual duration of work (annualised);
- It ranked last when it came to the social environment (confrontation with a hostile environment, quality of management - respect, recognition, team spirit, feedback -, support from colleagues and the manager). France was one of the countries where hostile behaviour was most widely reported (with the Scandinavian countries). France, on the other hand, was quite well positioned in terms of the proportion of women among managers;
- France was in the first third of the countries where employees indicated that there is an internal committee responsible for occupational health (the best scores here were spectacularly the Scandinavian countries, the UK and Ireland). The same was true for trade union presence in the company;
- France was in an intermediate position when it came to access to training offered by the employer and career prospects (the best places being occupied by the Scandinavian and English-language countries);
- France was second last as regards absenteeism (the best was Germany) and was badly positioned on conflicts of values (bottom third) with North European and English-language countries performing well in this area. France was finally poorly positioned in terms of employment prospects as judged by seniors.

The additional elements communicated by Eurofound since the update of its survey in 2021 lead to an even more alarming picture concerning management in France. The data were sent to the mission in the form of tables, the mission having extracted the situations of France, the average situation of the EU 27 countries, and that of the four comparison countries selected for this report (Germany, Ireland, Italy and Sweden)⁵. The data are all the more interesting since they relate to the period since the outbreak of the Covid-19 epidemic, which changed management conditions.

Table1: Work organisation methods - France and Europe

	France	EU 27	Germany	Ireland	Italy	Sweden
Work organisation methods combining low autonomy and low employee participation	34.40%	29.50%	24.20%	34.20%	30.80%	33.10%

⁴ Eurofound (2017), "Sixth European Working Conditions Survey - Overview report (2017 update)", Publications Office of the European Union, Luxembourg

⁵ The content of the questions and the procedures for administering the survey differed too much in 2021 to allow for an analysis of changes in the answers provided by employees.



Work organisation methods with low employee autonomy	57.80%	51.30%	41.00%	61.30%	50.50%	56.60%
Organisation methods with low employee participation	44.30%	45.70%	44.70%	44.60%	48.70%	45.70%
Organisation methods combining high autonomy and high employee participation	29.20%	32.70%	38.50%	28.30%	31.60%	30.80%

Source : Eurofound, EWCS 2021 (telephone survey among employees)

Based on the findings of the telephone survey among employees conducted by Eurofound in 2021, France stands out in two respects:

- Organisations that combine low autonomy and low employee participation are perceived to be more widespread than the European average and in the comparison countries, albeit to varying degrees (the largest differences are observed with Germany, i.e. more than 10 points). On the other hand, the proportion of organisations that combine high autonomy and high employee participation is perceived as being less common (the largest differences are again with Germany - 9.3 points);
- It is the issue of employee autonomy that distinguishes France, not that of participation. The proportion of organisations characterised by low employee autonomy is 6.5 points higher than the European average. On the other hand, organisations with low participation are less widespread than in the EU 27 average (44.3% vs. 45.7%).

The situation in France as regards the relationship of support and trust with managers and management, is significantly less favourable than the European average.

Table2: Management perception - France and Europe

	France	EU 27	Germany	Ireland	Italy	Sweden
Manager support and help - never or rarely	16.70%	14.80%	19.80%	7.60%	15.00%	15.90%
Manager support and help - sometimes and often	50.10%	44.20%	43.00%	40.90%	48.70%	52.20%
Manager support and help - always	33.20%	41.10%	37.20%	51.50%	36.30%	31.90%
Trust index and management quality - low	25.60%	16.00%	12.80%	12.70%	15.90%	12.80%
Trust index and management quality - average	58.30%	59.40%	56.80%	56.60%	74.00%	66.10%
Trust index and management quality - strong	16.10%	24.60%	30.40%	30.70%	10.00%	21.00%

Source : Eurofound, EWCS 2021 (telephone survey among employees)

French workers feel that their manager's support is less systematic than in other EU countries and in the comparison countries. The biggest difference among the countries studied here is with Ireland. **The management trust index is significantly worse in France**, with the proportion of employees responding that they have low trust in management being twice that of Germany, Ireland and Sweden and 9 to 10 points higher than the levels observed in Italy and in the EU 27.

Table3: Trust in working relationships - France and Europe

	France	EU 27	Germany	Ireland	Italy	Sweden
Good cooperation with colleagues - agree	89.00%	91.90%	93.80%	95.10%	89.50%	93.70%
Good cooperation with colleagues - neither agree nor disagree	5.00%	4.00%	2.80%	1.80%	6.20%	3.80%
Good cooperation with colleagues - disagree	6.00%	4.10%	3.40%	3.10%	4.30%	2.50%

Management trusts employees - agree	81.40%	86.30%	88.70%	88.30%	90.70%	89.30%
Management trusts employees - neither agree nor disagree	6.90%	6.40%	4.60%	5.80%	4.60%	7.10%
Management trusts employees - disagree	11.80%	7.20%	6.70%	3.10%	4.70%	3.70%
Employees trust management - agree	62.60%	72.50%	79.60%	76.00%	68.30%	69.60%
Employees trust management - neither agree nor disagree	13.80%	12.40%	7.20%	11.20%	17.70%	16.90%
Employees trust management - disagree	23.70%	15.10%	13.20%	12.80%	13.90%	13.50%

Source : Eurofound, *EWCS 2021 (telephone survey among employees)*

In France, the perception of cooperation between colleagues is slightly lower than in Europe and in the comparison countries. **At the same time, the indicators of trust between employees and management are significantly lower in France:** 81% of employees feel their management trusts them, compared to 86% in the EU 27. The comparison countries are between 88 and 91%. Employees' trust in their management is marked by an even more significant gap: 63% of French employees trust management, compared to 73% in the EU 27. The results of the comparison countries show trust consistently higher than the level recorded in France - between 5 and 18 points higher, with Ireland and Germany at +15 points and +18 points respectively.

Finally, the fourth European Company Survey (ECS), carried out jointly by Eurofound and Cedefop in 2019⁶, confirms the relatively unfavourable positioning of management in France.

The study carried out with HRDs and staff representatives in the EU 27 and the UK shows that France has a more hierarchical and rigid management than comparable countries.

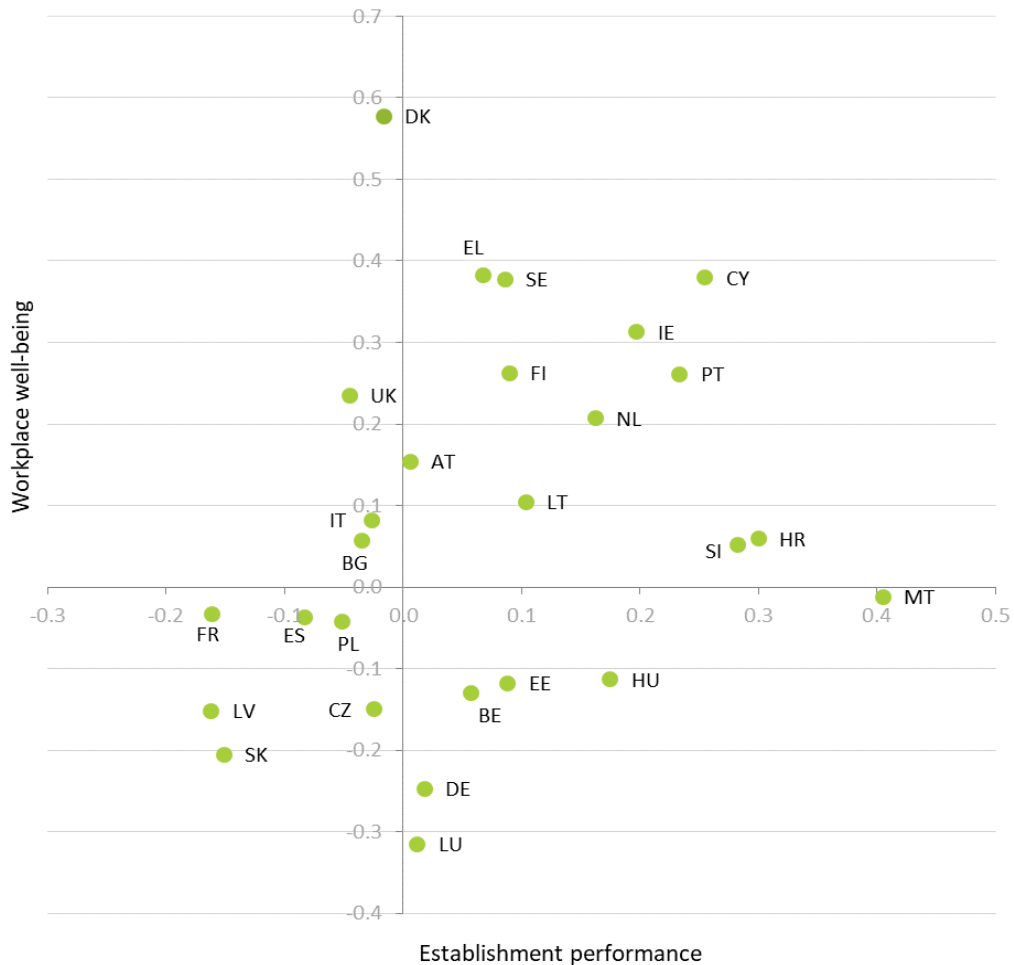
The study shows that French establishments are positioned unfavourably in terms of economic performance and in an average position in terms of well-being at work. It highlights two synthetic indicators:

- A well-being at work indicator, built using indirect measurement tools: the working atmosphere, established through the responses provided by managers and employee representatives (taking into account the concurring responses), and human resources management indicators derived from the perceptions of managers (on excessive absenteeism and sick leave, employee motivation and difficulty in retaining employees in the company);
- An establishment performance indicator: it is built based on managers' perception of current profitability, profit expectations, 3-year production volume expectations and 3-year employment volume expectations in their establishment.

⁶ Eurofound and Cedefop, *European company survey 2019, Workplace practices unlocking employee potential, 2020*. The survey is based on responses from 22,000 HR decision makers and 3,000 employee representatives. It describes the management practices associated with two beneficial outcomes for employees and employers: well-being at work and the performance of the establishment. The analysis shows that the institutions most likely to generate this win-win result are those that combine a high degree of employee autonomy, a balanced motivational strategy, a global training and learning strategy and high levels of direct employee involvement in decision-making, while offering managerial support for these practices, with this support being underpinned by a dedicated corporate policy.



Well-being at work and performance of organisations



Source : Eurofound, ECS 2019 (company survey - HRD and employee representatives)

The above graph positions European countries on two axes corresponding to the two synthetic indicators. France and the four countries selected for the comparison have mixed situations:

- France is unfavourably positioned in terms of economic performance, and near the average in terms of well-being at work;
- Germany is unfavourably positioned in terms of well-being at work, and near the average in terms of economic performance;
- Italy occupies an average position in terms of both synthetic indicators;
- Sweden, and even more so Ireland, are in a favourable position for both synthetic indicators.

The point of this study is also to observe the differences attributable to various factors, such as the country the company operates in, but also the sector or size of the company. The sector and size of the organisations are correlated with differentiated results, but to a lesser extent than the country in which they operate. This data also makes it possible to highlight a positive correlation, at the level of the establishments, between well-being at work, economic performance and innovation.

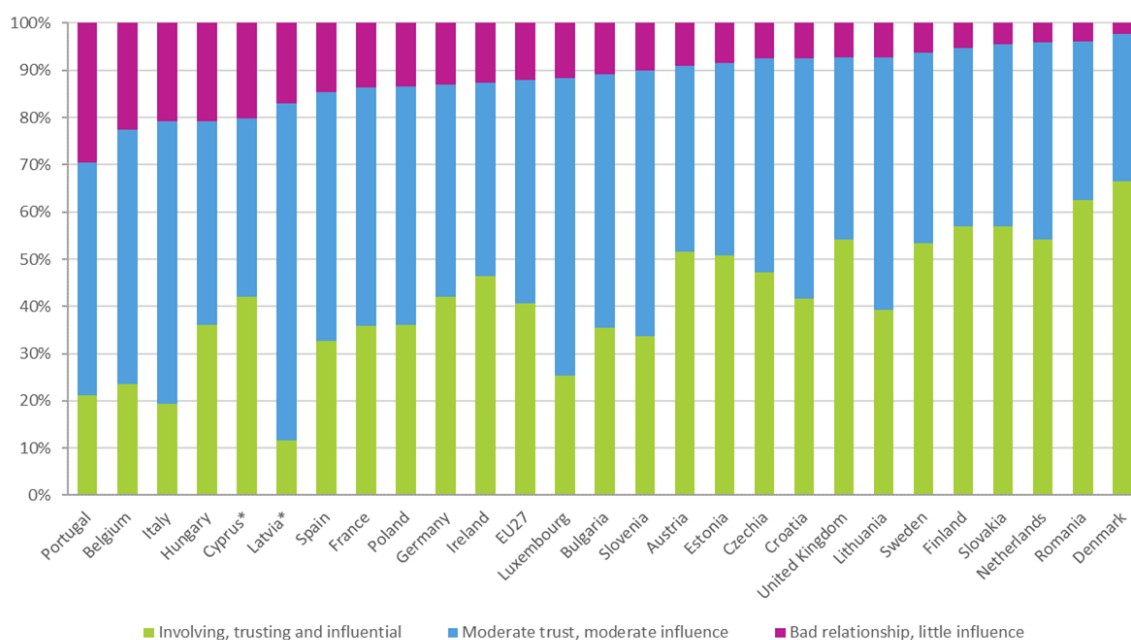


Furthermore, the study revealed that the level of trust and cooperation between management and staff representatives is relatively low in France, based on questions put to management and employee representatives about the level of mutual trust in their establishment.

Three categories of organisations are distinguished here:

- Organisations in which the level of trust and cooperation is high (*involving, trusting and influential*, 41% of establishments): management considers that staff representatives are constructive, and most prefer to consult them and place a high level of trust in them. In addition, employee representatives believe they have a medium to strong influence on management decisions.
- Organisations in which trust and cooperation are moderate (*moderate trust, moderate influence*, 47% of establishments): management considers that employee representatives here are relatively constructive and they prefer a form of consultation with these employee representatives and place moderate trust in them. Employee representatives consider their influence on management decisions to be between low and medium.
- Organisations in which trust and cooperation are poor (*bad relationship, little influence*, 12% of establishments): management considers the action of staff representatives as not very constructive or not constructive at all, and prefers to consult employees directly or not to consult them at all. Management places limited trust in employee representatives, or say they do not trust them in the least. Employee representatives consider their influence on management decisions to be low.

Trust and cooperation between management and employee representatives



Source : Eurofound, ECS 2019 (company survey - HRD and employee representatives)

France is at a level of trust and cooperation significantly below the EU 27 average.

Most of the comparison countries do not differ from France in this respect: Italy has even worse indicators, while Germany and Ireland are at a slightly higher level than France, yet below the Community average.

In the comparison sample, only Sweden ranks among the countries in Europe where trust and cooperation between management and employee representatives are among the highest.



1.1.2 Analyses from the ESENER survey, conducted by the Bilbao Agency on Working Conditions (EU-OSHA), and focusing specifically on occupational health management, show managerial that are less participatory and strongly influenced by regulations

The EU-OSHA European Survey of Enterprises on New and Emerging Risks (ESENER) was conducted four times in 2009, 2014, 2019 and 2024. The latest available results are from the 2019 telephone and internet survey of 45,000 public and private organisations with 5 or more employees in the 27 countries of the European Union, Iceland, Norway, Switzerland, Serbia, North Macedonia and the UK. The results of the 2024 survey will start to be available in 2025. Respondents are those in the organisation who are deemed to have the best knowledge of occupational health issues.

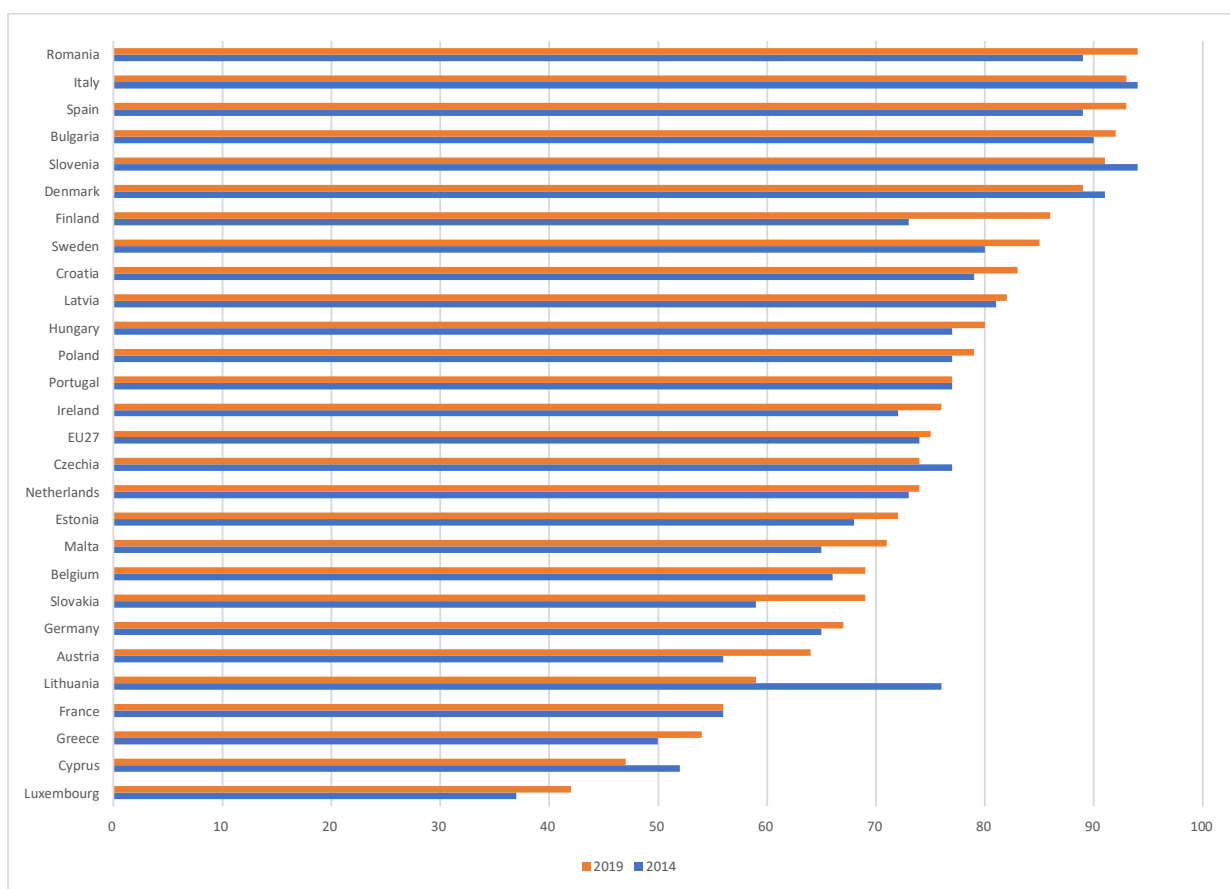
ESENER links the regulatory context in force in the countries, the culture and practices observed and the results obtained in terms of occupational health. The 2019 edition has the advantage of enabling a comparison to be made with 2014 results, thus showing the trajectory of each country and sector of activity studied.

France is characterised by average positions in the survey as a whole.

Some parts of the survey that relate to the management of psychosocial risks are particularly useful for the mission in that they illustrate different management practices in European countries: frequency of risk assessment actions, involvement of workers in the measures taken to deal with them, incentives or barriers perceived as to psychosocial risk management practices.

These elements, selected by the mission in connection with the agency, reveal a generally unfavourable French position: risks are assessed less frequently, and the involvement of workers in the responses provided is less frequent than elsewhere in Europe.

Proportion of organisations that regularly conduct a risk assessment (2019)

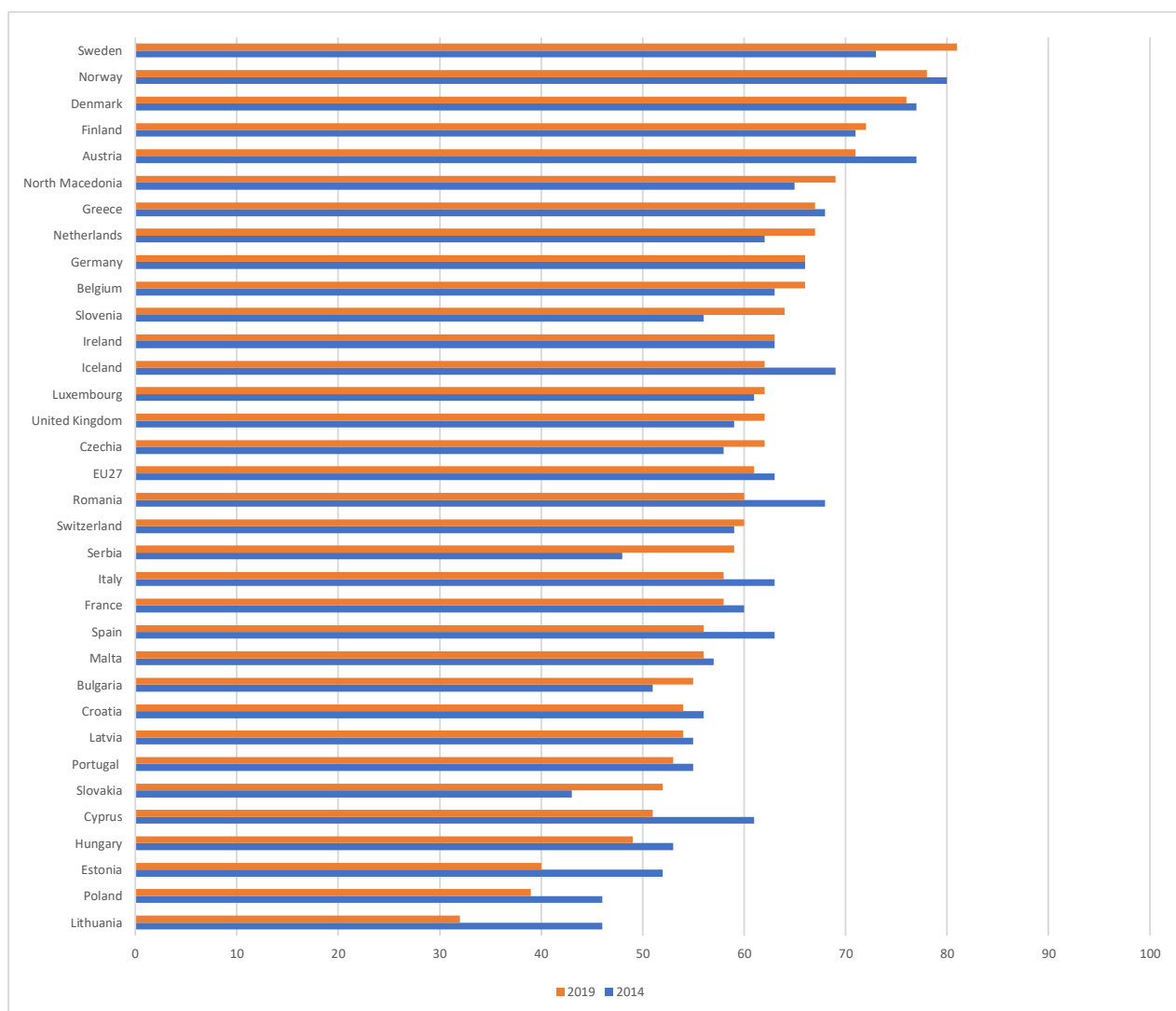


Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

When it comes to risk assessment, only 56% of French organisations do so regularly, with no progress between 2014 and 2019, compared to a European average of 75% (74% in 2014). Germany (67%), Ireland (76%), Sweden (91%) and Italy (93%) all performed significantly better. Yet, the single occupational risk assessment document (DUERP), which integrates psychosocial risks, must in theory be reviewed every year in companies with 11 employees and more.

Moreover, psychosocial risk is considered by 25% of French respondents to be particularly difficult to manage, compared to 22% on average in Europe. The values of the comparison countries are relatively mixed in this respect. It is particularly high in Sweden (43%). Germany (23%), Ireland (21%) and Italy (19%) are around the European average.

Employee involvement in measures to manage psychosocial risks



Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

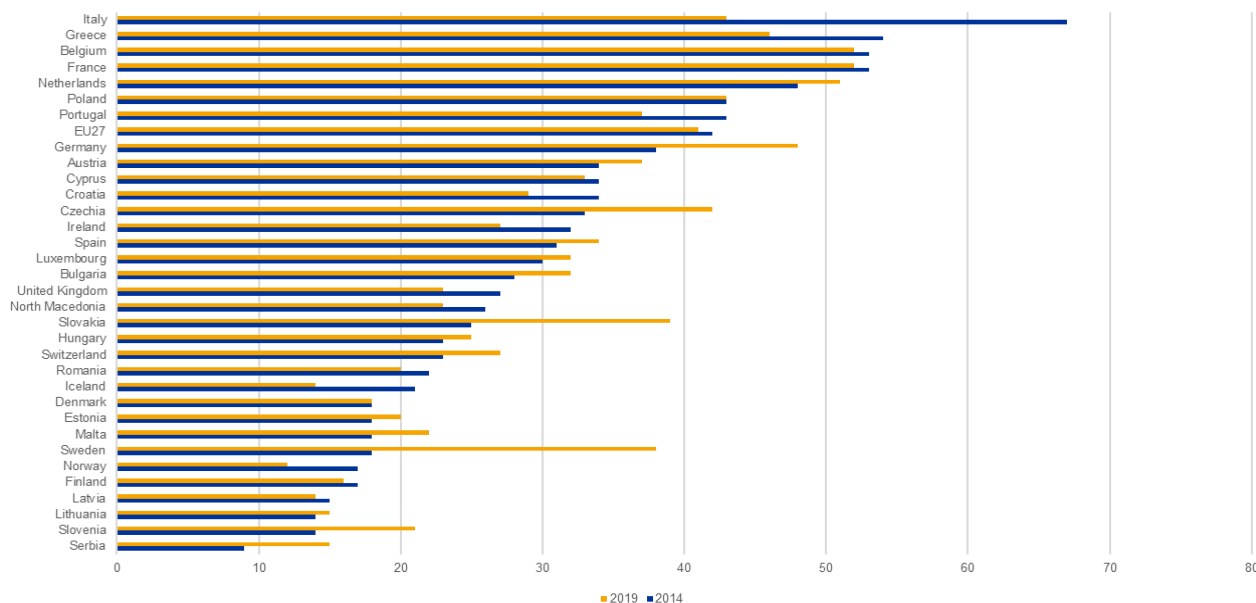
The low level of worker participation, already seen in studies conducted by Eurofound, is reflected in statistics on worker involvement in psychosocial risk management measures. This participation fell in France from 56% to 54% between 2014 and 2019. At the same time, the European average fell from 63% to 61%. While Italy scored close to France (58% in 2019), Ireland, Germany and Sweden were well ahead (63%, 66% and 81% respectively).



Administrative obligations are perceived as a difficulty by French companies, due to their complexity. They are also the main reason for them to undertake risk assessment procedures. The motivations related to the performance of the organisation appear secondary and are less well identified than in the other European countries.

One of the primary reasons why French organisations have difficulties in adopting occupational health and safety management measures is the constraints linked to the complexity of the legal and regulatory framework.

Complexity of legal obligations perceived as a major challenge to address occupational health and safety issues (2019)



Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

The motivations for adopting occupational health and safety management measures are also unique to French organizations. While compliance with legal obligations and the desire to meet employee aspirations are reasons cited in proportions close to the European average, the desire to avoid fines from the labour inspectorate and to preserve the company’s reputation are significantly less frequent responses from French companies. Above all, **the issue of productivity appears to be largely secondary for French companies (38%) whereas it can be decisive for our neighbours (96% in Italy, 70% in Germany).**

Table4: Main reasons why organizations implement occupational health and safety management measures

	Comply with legal requirements	Respond to employee requests	Avoid fines from the labour inspectorate	Protect the organisation’s reputation	Increase productivity
France	87%	84%	63%	60%	38%
EU-27	88%	81%	79%	77%	66%
Germany	92%	79%	76%	77%	70%
Ireland	82%	77%	76%	80%	58%
Italy	91%	92%	95%	94%	96%



Sweden	95%	91%	83%	78%	53%
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Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

1.1.3 Other sources available corroborate this assessment

The findings from other sources identified by the mission are consistent with the results of the surveys conducted by the European agencies.

- **Sources help position French management with respect to other European countries.**

A relatively old survey by APEC (the French Association for the Employment of Executives)⁷ illustrates the very critical attitude of French employees towards their managers. The study was based on an online consultation conducted in 2009 among 33,000 employees in 15 countries and working in organisations with more than 100 employees. While North American, Norwegian, Portuguese, Swiss and Dutch employees perceived their managers very positively, Belgians, Germans, Danes and Swedish responded more critically but acknowledged their managers' mastery of the "basics" of the managerial relationship (availability, communication, exemplarity, delegation, motivation, fairness, trust, etc.). The French were particularly critical, like the Italians and the Finns, with one third of them considering that their managers failed on the "basics" (on all items in France, and on some in the other two countries).

For its part, the IFOP has recently published a series of notes on management and management practices, based on comparative data from the "IFOP Standard", a survey conducted each year among a representative sample of 1,000 French employees, enriched since 2019 by surveys of representative samples of German and British employees. The last wave was completed in October 2021.

A first note on the role of managers and the issue of recognition at work⁸ shows that the relationship with the local manager is important, and generally perceived positively (70% of employees are satisfied with their relationship with their N+1, 86% with colleagues and 67% with department managers or management). On the other hand, satisfaction with general management, which is more distant, is down to 51%, with the greater distance generating a lower degree of trust.

The document focuses on the content of management and reveals a **specific French difficulty regarding recognition at work**. 56% of French employees feel that their work is recognised for its fair value, compared to 72% in the UK and 75% in Germany. The authors link these differences not to remuneration grids that are no less advantageous in France, but to differences in the use of recognition levers such as:

- Recognition of the right to trial and error,
- Encouraging individual or collective initiatives,
- Feedback to value employees and help them progress (appreciation of efforts, celebration of successes).

Among the differentiating factors, the **questions of skills development and the ability of employees to advance in the company are of particular importance**. In France, a minority say they have career development perspectives in the company (49%), compared to 65% in Germany and 68% in the UK. In general, **internal promotion is seen as less developed than external recruitment efforts**; it is also seen as less important by managers.

The research-intervention programme carried out over 50 years since 1974 by Cnam and Iseor (Institut de Socio-Économie des Entreprises et des Organisations) with 2,000 companies, including 1,600 in France, concluded that French management practices can be greatly improved. By adding up the effects of absenteeism, accidents in the workplace and occupational illnesses, staff turnover, quality defects and lost productivity, Prof. Laurent Cappelletti

⁷ APEC, *Représentations et pratiques managériales en Europe et en Amérique du Nord: vers un modèle managérial unique?*, June 2009

⁸ "Le nouveau rôle central des managers et l'enjeu de la reconnaissance au travail", IFOP Focus No. 233, September 2022

estimates the hidden costs of poor management to be within a range of €20,000 to €70,000 per employee per year, constituting therefore an endogenous efficiency reserve for the company⁹. As human potential is an active factor in value creation, the author calls for the link of subordination at work, derived from the Fayolo-Taylor paradigm, to be replaced in favour of horizontal organisations.

- **National sources enrich the approach with dynamic observations**

On a nation-wide level, **the DARES surveys provide insight into the changes in management-related indicators, in particular certain psychological stress related factors**¹⁰.

In particular, by comparing the DARES surveys on working conditions over time¹¹ it is possible to observe certain trajectories that facilitate the deciphering of management practices in France.

In the surveys conducted in 2013, 2016 and 2019, several items relating to autonomy have stagnated (possibility of interrupting work at one's own initiative, knowing what is expected at work, ability to organise one's work). Between 1998 and 2019, the requirements expressed by the line manager relate more to how to do the work and are less and less limited to just setting the goal to be achieved (from 14.2% and 22.2%). The proportion of workers who say they must strictly apply the instructions decreased between 1998 and 2005 (from 37.2 to 35.2%), but has changed little since then (34.4% in 2019).¹² All of this data prompts the Haut-Commissariat au Plan (French planning agency) to question whether Taylorism is returning in France.

When it comes to social relations at work, the possibility of getting help from a line manager or colleague in the event of difficulties has increased between 1998 and 2019 (from 59.4% to 66.6% and 72.4 to 82.4% respectively), but values have stagnated since 2013. Since that same date, the proportion of employees who feel that their line manager does not listen to them has increased (from 18.6% to 21.9% in 2019). The feeling of being able to discuss work organisation issues has increased since 1998 (from 69.1% to 80%), but these figures have barely moved since 2013.

30% of employees feel that they do not receive the respect and esteem that their work deserves (virtually unchanged from 2013, after a decrease in 2016)¹³.

The note from the Fondation Jean-Jaurès in September 2022 *Le nouveau rôle central des managers et l'enjeu de la reconnaissance au travail*¹⁴ is essentially based on the results of the 2021 IFOP survey conducted among a representative sample of 1,000 French employees and representative samples of German and British employees.

It notes that the sphere of managers is not precisely defined in France, and does not coincide with the notion of executive. There are some 8 million supervisors. These roles are closely associated with career advancement, with supervisors having a higher average age (77% are 35 years and older compared to 55% for employees).

⁹ *Les effets du management de proximité*, by Laurent Cappelletti, in the collective work (coordinated by Bruno Palier), *Que sait-on du travail?* Sciences po press, 2023

¹⁰ This includes the Working Conditions Survey (2019). During the health crisis, DARES replaced the TraCov survey. The Response survey also deals with such topics as working time organisation, wages, dialogue between the company and employee representatives and disputes. Finally, the Sumer survey conducted among occupational physicians enables employees' exposure to occupational hazards to be measured.

¹¹ The Working Conditions surveys, organised and run by DARES since 1978, are repeated every 3 years and concern all active working persons. They aim to describe work as perceived by employees as precisely as possible. The questions asked do not refer to objective measures (job ratings or ergonomic analyses), nor to questions of opinion about work, but to a concrete description of the work, the way it is organised and the prevailing working conditions and this from several perspectives: room for manoeuvre, cooperation, work pace, physical effort and risks incurred.

¹² Haut-commissariat au plan, *La grande transformation du travail: crise de la reconnaissance et du sens du travail*, October 2023.

¹³ All of these statistics come from the DARES Working Conditions survey: DARES, *35 ans d'évolutions des conditions de travail*, DARES website (travail-emploi.gouv.fr).

¹⁴ Fondation Jean-Jaurès, *Le nouveau rôle central des managers et l'enjeu de la reconnaissance au travail*, by Romain Bendavid, September 2022.



At the end of 2021, 70% of employees were satisfied with their direct line manager. The Fondation Jean-Jaurès notes that this proportion is relatively stable over time, oscillating between 65% and 77% between 2004 and 2021. Much less trust is accorded to the most remote levels of management, with only 51% of employees saying they are satisfied with their senior management.

Managers are overrepresented in the Paris region and in large companies. Moreover, they are most often men (63% vs 50% of employees), which is a major challenge for public policies related to management issues.

During the health crisis, managers were often the only link between employees and their company, placing supervisors at the centre of the working relationship and enabling a “psychologist manager” type model to emerge.

In addition, although managers have adapted, management practices have remained stable: the main changes noted by employees in recent years relate to work organisation (time and workspace management, particularly in a context of rapid development of remote working) but not much as regards management practices themselves (recognition, empowerment, dialogue, management styles).

The study shows that local managers play a more important role in company transformations than managers, HRDs or employees and this was further reinforced by the Covid-19 crisis. However, they are not fully able to address the lack of work recognition. The study concludes that it is necessary to develop a more horizontal management culture and promote the employer brand internally to a greater extent in order to encourage employees to adhere to their company.

In February 2023 the **Institut Montaigne published the results of a survey** conducted in 2022 based on a sample of 5,000 workers in France and **relating to work**¹⁵. It is positioned as a counterpoint to other studies published on the subject.

The survey highlights the high level of job satisfaction (77% of respondents express a level of satisfaction with their work of 6/10 or higher), emphasising that this did not change as a result of the Covid-19 crisis. The survey stressed that recognition at work is a weak point in French management practices (38% dissatisfied with recognition by their organisation).

The study shows a strong contrast in the qualities attributed to management: while the perceived trust is very widely highlighted, exemplarity and recognition are less present.

Table5: Assessment of the main managerial qualities according to the Institut Montaigne survey (2022)

<i>Would you say your manager...?</i>	4,666 French employees
Trusts you	85%
Listens actively	74%
Empowers and encourages you to use your initiative	71%
Is attentive to your well-being at work	67%
Recognises and values your work and efforts	64%
Sets an example for you	53%

Source : *Montaigne Institute*

Beyond the discrepancies that can be observed in these surveys, both in their methodology and their conclusions, several points of convergence can be observed:

¹⁵ Institut Montaigne, *Les Français au travail : dépasser les idées reçues*, February 2023



- The level of satisfaction is widely correlated with the perceived level of work autonomy with freelance professions expressing by far the highest levels of satisfaction, and psychological hardship being closely linked to the level of autonomy;
- Recognition at work is a point of dissatisfaction.

1.2 Qualitative analyses on management in France highlight the weaknesses of the national "model"

On the basis of these elements, sometimes combined with other available sources, numerous research papers have analysed management practices in France. There is an abundance of scientific literature from a range of different disciplines (management sciences, occupational sociology, ergonomics, economics).

In the works studied by the mission, **French management is frequently presented as inadequate:**

- According to these analyses, French management practices are based on a **vertical** structure and **power distances** are significant.

This “verticality” is mentioned by almost all the people interviewed by the mission and is examined in almost all the analysis work studied (see below). It broadly converges with the work carried out some time ago by sociologist Philippe d'Iribarne, around the "logic of honour"¹⁶, based on the comparison of professional cultures within factories manufacturing the same products in France, the Netherlands and the United States. The “logic of honour” prevailing in France apparently combines an attachment to the job status with an expected degree of autonomy and a need for recognition. This dimension is apparently associated with “aristocratic pride”: hierarchical relationships must be scrupulously respected, and thus offer little room for collective discussions and decisions.

¹⁷This directive character is also apparently linked to a concept of efficiency with the managerial model based on "haste", and such a concept does not take the time to discuss work organisation methods as this would be a waste of time. The main accusations made to managers by employees are that they have not been sufficiently trained to perform this function, that they are too far-removed from the reality of work and that they are too obsessed by reporting tools and meetings¹⁸.

“Disincarnated management” apparently reaches its paroxysm in the form of “planners”, employees or consultants who plan the work while being outside the operational units in charge of carrying it out. Their action is thus designed in a generic way, transposable from one sector to another, including between the public and private sectors¹⁹.

- Management practices are apparently **more stressful**.

Data from the Eurofound EWCS survey (2021) shows that psychological working conditions deteriorate faster in France than in Germany, Denmark and the Netherlands, as well as when compared to the European Union average²⁰: psychological stress is higher and the level of support from colleagues and supervisors is low. For France, the 2021 survey wave shows that employees report a much higher level of anxiety (49% compared to 11.9% in Germany, 7.6% in Denmark and 30.4% in the EU 27)²¹.

- **Recognition at work** is apparently **insufficient**.

¹⁶ Philippe d'Iribarne, *La logique de l'honneur, gestion des entreprises et traditions nationales*, Editions du Seuil, 1989.

¹⁷ Corinne Gaudart and Serge Volkoff, *Le travail pressé, pour une écologie des temps du travail*, Paris, Les Petits Matins, 2022

¹⁸ Mathieu Detchessahar, *L'Entreprise Délibérée. Refonder le management par le dialogue*, Nouvelle Cité, 2019

¹⁹ *Le paradoxal déploiement du management par les dispositifs*, by Marie-Anne Dujarier in the collective work (coordinated by Bruno Palier), *Que sait-on du travail?* Sciences po press, 2023

²⁰ Dominique Méda, Maëlezig Bigi and Agnès Parent-Thirion, *Dix graphiques pour comprendre l'ampleur de la crise du travail en France*, Alternatives Economiques, April 2023

²¹ *Prendre la mesure de la crise du travail en France*, by Maëlezig Bigi and Dominique Méda in the collective work (coordinated by Bruno Palier), *Que sait-on du travail*, Les presses de Sciences po, 2023



In terms of management content, all comparative studies (Eurofound, IFOP, APEC) concur that the level of recognition is lower than in other countries. The Institut Montaigne also considers this to be a weak point.

- Manager training is apparently **too academic and insufficiently focused on cooperation**

Many of the participants in the mission underlined the importance of the training system to explain the power distances.

The “logic of honour” (see above) is often a qualifications issue²².²³ These analyses are in line with the well-known findings in 1970 by sociologists from very different backgrounds such as Michel Crozier or Pierre Bourdieu on the French elite training model.

The French education system shows poor comparative results in terms of acquiring socio-behavioural skills. It does not promote a collective sense and is characterised by a very strong climate of distrust. More than a third of French pupils consider that relationships with most of their teachers are not good, one of the highest levels of conflict in the world²⁴.

- The place given to **so-called “learning” organisations** is apparently **declining**.

The work carried out by France Stratégie on learning organisations²⁵ shows a decline in France in this area. A learning organisation combines on-going development of employees’ learning capabilities, their high degree of autonomy and participation by them in the decisions taken by the company. According to this analysis based on synthetic indicators, there are four organisation models for companies: simple, Taylorist, learning and finally the lean production organisation. Their prevalence can be measured using the results of the Eurofound EWCS survey²⁶.

The authors highlight a French position close to the average within the EU-27 countries (43% of learning organisations in France compared to an average of 40%), with the fewest being in the southern European countries. Countries in northern and continental Europe, on the other hand, have between 54% and 65%. Above all, the longitudinal analysis of the Eurofound surveys (2005, 2010, 2015) shows that France is experiencing a decline in this area (from 46 to 43%) in favour of lean production organizations (up from 22% to 32%). The authors explain this by the decline in employee autonomy and cognitive content at work, and the prevalence of a figures-based vertical management.

According to the study these developments are linked to institutional and cultural factors, since the differences in economic specialisation or company sizes were neutralised for the purpose of the analysis:

- There is a link between the dissemination of learning organisations **and the attachment to the dissemination of academic knowledge**: the greater the importance given to qualifications, the less developed the learning organisations are;

²² This logic is also well shared, sometimes even in the trade unions: thus, the new collective agreement in the metallurgical sector, signed in 2022, is disputed by the CGT in that it brings into question the link between the qualification level and the remuneration level: Edith Biechlé and Alain Dervieux, *Dans la métallurgie, une machine à déclasser... jusqu’où ?* Contributions, Salaires, qualifications : si loin... si proches !

²³ Michel Crozier, *La société bloquée*, Editions du Seuil, 1970; Pierre Bourdieu and Jean-Claude Passeron, *La Reproduction*, Le sens commun, 1970.

²⁴ Yann Algan, Elise Huillery and Corinne Prost, *Confiance, coopération et autonomie : pour une école du XXIème siècle*, Notes du Conseil d’Analyse Économique, No. 48, 2018/3.

²⁵ France Stratégie, *Les organisations du travail apprenantes : enjeux et défis pour la France*, working document, by Salima Benhamou and Edward Lorenz, April 2020

²⁶ The learning organisation is characterised by autonomous, versatile employees, working most often in multidisciplinary teams, using working methods based on solving complex problems that require experimentation; in lean production: the cognitive content is as high as in the learning organisation, but employees are less autonomous and are subject to higher constraints (quantitative production standards, quality approach); finally, Taylorist and simple organisations are characterised by limited autonomy, repetitive tasks and little learning on the job. The procedures are more or less formally set down in these organizations.

- The CEREQ²⁷ shows that the more **training actions take place in the workplace, the greater the number of learning organisations**. In France, academic learning dominates, including vocational training, which is seen as an employment policy rather than an innovation policy.
- **This study indicates that the overall quality of work and employment in France is poor.**

The²⁸ work by NCAM on the quality of work and employment is based on the compilation of a variety of international indicators. Six dimensions are identified: wages, employment conditions, working conditions, career training, working time and work-life balance, collective participation and representation.

France's results place it in an intermediate group of countries with regard to these combined criteria, with the best results being obtained by the Nordic countries, the continental countries (Germany, Austria, Belgium, Luxembourg) and the English-speaking countries (United Kingdom and Ireland). The intermediate position is shared with France by the countries of southern Europe (Spain, Italy, Greece, Portugal) and Poland: job quality and work quality there are not as good (large number of temporary jobs, less employee representation, degraded working conditions and less dynamic training), even if the remuneration paid is more favourable than in the last group of countries (Central and Eastern Europe). For these multifactorial analyses, the subset of working conditions is based on Eurofound data.

1.3 However, managers' expectations and priorities are gradually changing

1.3.1 While operational performance remains a priority, the expectations expressed to managers are increasingly focused on team support

The survey conducted by APEC in 2009 showed that **15 years ago, management expectations, as perceived by managers, were very largely focused on operational performance**.²⁹ It highlighted the emergence of a "global model" of management, the cultural factor having a minor impact on results, and this model clearly prioritised the ability to achieve the targets and have comprehensive technical knowledge of the business.

The study carried out by APEC in 2019, across a purely French scope³⁰, based on interviews, qualitative focus groups and a quantitative survey of 1,450 executives in the private sector, showed that management's expectations of managers are transforming and increasingly shifting towards working relationships (empowerment, quality of life at work, collaborative dynamics), under the effect of the new management theories and societal expectations, as well as the development of remote working.

However, operational expectations remain a priority, and manager reviews still focus on their operational performance. Only one in ten managers believes that skills development and the search for autonomy are prioritised in the performance review, well after the financial, production or product quality targets.

Managers also perceive **a higher workload due to the combination of production goal expectations and relational expectations**, and identify several conflicting injunctions between the search for empowerment for their teams and control over their activities, between the desire for flexible and authoritative behaviours and between an aspiration for performance and a concern for well-being.

Expectations as regards team support have grown even more since the pandemic. Interviewed in 2022 and 2023 by APEC, executives perceived a clear growth in management practices oriented towards greater trust, autonomy, flexibility, horizontality, availability and attentiveness. For the future, the changes in practices desired by the

²⁷ CEREQ, *Regards comparatifs sur la formation en Europe : un plafond de verre du côté des entreprises françaises*, Bref No. 392, June 2020

²⁸ *La qualité du travail et de l'emploi, une contre-performance française ?* by Christine Erhel, Mathilde Guergoat-Larivière and Malo Mokakhami in the collective work (coordinated by Bruno Palier), *Que sait-on du travail*, Les presses de Sciences po, 2023

²⁹ APEC, *Représentations et pratiques managériales en Europe et en Amérique du Nord : vers un modèle managérial unique ?* June 2009

³⁰ APEC, *Les nouveaux enjeux du management*, Note, December 2019



managers interviewed (regardless of their managerial position) are primarily to communicate more and show more recognition towards employees.

1.3.2 However, management training remains underdeveloped

In terms of skills, **most executives believe that it is essential to build on basic technical business skills**, with certain sector-specific differences. Thus, in sectors with low supervisory levels (e.g. hospitality), the importance of this business knowledge is over-valued to enable replacements. However, *soft skills*, including the ability to listen to employees, are being increasingly valued.

Managers mostly believe that managerial qualities are linked to personality. **Management training courses remain underdeveloped** (on average 2 courses per respondent since their first management experience), and focus on general knowledge in the field, whereas they express multiple needs (leadership, innovation, conflict management, communication).³¹ They believe that their main area of progress is the ability to take a step back, which is consistent with the feeling of increased workloads and a diversified range of expectations.

1.4 Is France's relative position the result of a perception bias?

One of the questions asked by several of the mission's interviewees concerns the possibility of analyses being distorted by a possible perception bias specific to France. Most studies are based on statements made and they may be affected by a less optimistic view of life and a more critical approach.

In fact, the European survey on values places France 22nd out of 34 European countries ranked according to the level of satisfaction of their population, which is a mediocre position given the country's wealth level expressed in GDP per capita. Italy is in a similar position, while Germany and Sweden are much better positioned (10th and 12th respectively, Ireland is not ranked)³².

The mission considers that this risk exists, but that it is limited for three reasons.

Firstly, management indicators are most often based on Eurofound surveys, which offer real methodological guarantees.

- The main conclusions are based on the comparative findings of the two surveys conducted by Eurofound, one (EWCS) among employees and the other (ECS) among employers;
- Results are rectified and analysed by highly qualified statisticians using tried and tested methods

Secondly, while Eurofound surveys constitute the primary sources that can be used to analyse French management practices, they are not the only ones. Yet the findings of almost all the methods used to compare European countries tend to concur apart from certain nuances that may emerge.

Finally, it cannot be ruled out that a possible perception bias is also one of the manifestations of the difficulties experienced by management itself. Indeed, among the explanations given for the poor results obtained for France, the question of verticality, i.e. the low level of cooperation in the relationship, comes up frequently. This verticality reflects a more authoritative approach to hierarchy and relations of authority than in other European countries, which include employment relations, among other social situations.

As Yann Algan, Elise Huillery and Corinne Prost of the Economic Analysis Council wrote, "*the social-behavioural skills gap among young French people continues through to adulthood. According to the World Values survey on changing values around the world, French adults are characterised by greater distrust, less optimism, the feeling that what*

³¹ Ibid.

³² European values survey, *Atlas of European Values*, May 2022

happens to them depends little on their actions (locus of external control) and, finally, by values that are more focused on security than innovation."³³

The comparative elements provided by the European Values Survey show that the French are among the Europeans who attach the most importance to work³⁴. When asked about their feeling of controlling the parameters of their lives, the French ranked 27th out of 34 European countries in the European Values Survey. The Swedes came in 4th, the Germans 11th and the Italians 18th.

2 Although management practices as such are not a social policies subject, they are greatly affected by the diversity of standards surrounding the work relationship

2.1 Management practices are not a subject for public policy

Management practices are first and foremost the organisational choices of the companies in question and are not the subject of a specific public policy. While the representatives of the public authorities encountered by the mission consider that the subject is of real and growing importance, and consider that management practices have a direct impact on the results of the social policies they conduct, they consider that at this stage, management is not the subject of dedicated measures, and generally do not express the desire to make it a public policy as such.

Under French law, the work organisation comes under the hierarchical authority of the employer. However, two legislative elements are concerned with management practices:

- Since 1982, the Auroux laws have incorporated **the right of expression of employees** into the Labour Code (Articles L.2281-1 et seq.). The text states that *"employees benefit from a right to direct and collective expression on the content, conditions of performance and organisation of their work"*, that this right *"is intended to define the actions to be implemented to improve their working conditions, the organisation of the activity and the quality of production in the work unit to which they belong and in the company"* and that it is carried out *"on the work premises and during working time"*. The Code also states that this right implies access to the company's IT resources, and that it cannot give rise to any sanctions by the employer. The 2017 ordinances ranked the right of expression among the subjects covered by the mandatory periodic negotiation in companies, relating to professional equality and quality of life at work.
- The national interprofessional agreement (ANI) of 19 June 2013 on a policy to improve quality of work life (QWL) and professional equality sought to create a second transversal tool, largely focused on management practices. The agreement opens with the following words: *"Quality of life at work is first and foremost about the work, working conditions and whether or not they offer workers the possibility of "doing a good job" in a healthy atmosphere, within the framework of the organisation."* This requires promoting collective bargaining in branches and companies to foster better QWL in collective working situations. The 2013 ANI agreement specifically addresses management in Article 16, and states that it is necessary to specify its role and means.³⁵

³³ Yann Algan, Elise Huillery and Corinne Prost, Confiance, Coopération et Autonomie : pour une école du XXIème siècle, Notes from the Conseil d'Analyse Économique, No. 48, 2018/3.

³⁴ European values survey, *Atlas of European Values*, May 2022

³⁵ Article 16 - Supporting senior management teams and managers: *"The role of managers, like that of senior management, is paramount in any approach aimed at improving the quality of life at work. Managers organise the activities carried out on a daily basis, they deal with the difficulties encountered by employees and play an essential role in implementing the company's policy. To this end, the employer must specify the role of managers and the means required and made available to enable them to exercise this role. Greater awareness and adequate training of managers in terms of team management and managerial behaviour are likely to improve the quality of life at work. The aim is to help these managers better understand the difficulties by taking into account the real conditions in which the work is performed, to promote discussions at work, i.e. to better identify the conditions for greater cooperation within their teams."*



In addition, 20 years after creating the right of expression, the ANI is striving to set out how it could be implemented³⁶. QWL becomes **QLWC** (quality of life and working conditions) with the ANI agreement of 9 December 2020 on reinforced prevention and a renewed offer in terms of occupational health and working conditions. The QLWC renews the approach by refocusing the expectations of the branch or company collective agreements on the actual content of the work (performance conditions, workload, meaning, involvement of employees, etc.), and not on peripheral elements sometimes put forward in collective agreements (gyms, social events, office decoration, etc.). The ANI reaffirms the decisive role of management³⁷. The concept of QLWC was integrated into positive law by the Act of 2 August 2021 to strengthen occupational health risk prevention. In accordance with Article L.2242-1 of the Labour Code, the QLWC is included among the mandatory topics that must be the subject of periodic negotiation at the company level³⁸.

No figures are available to certify its effective implementation, but all those interviewed by the mission on this point (administration, social partners, researchers) agreed that **the right of expression is very rarely exercised**. The causes are attributed to a relative aversion of social partners to this practice perceived as optional, and introduced into positive law more than 40 years ago.³⁹ A more technical cause is the fact that the system has indeed established a right to speak up, but without the right to real intervention at work.

With regard to the QWL, branch and company agreements implement the requirements of the concept introduced by the 2013 ANI agreement, but there are still very few of them: Five sectoral agreements were signed in 2022 (including four in the insurance sector and one in the metallurgical sector), while 941 company agreements (out of a total of 114,000 in 2022) were dedicated to the wider issue of working conditions⁴⁰. No qualitative elements are available at this stage, and **it is still too early to judge the reality of the application of the principles from the 2020-2021 reform transforming QWL into QLWC**.

While transversal legislative elements are scarce, a number of legislative and regulatory provisions, and conventional stipulations, influence one or another area of the managerial relationship, in terms of working time, occupational health, protection of categories of employees and the fight against discrimination (see *below*).

The action of decentralised government services is only marginally oriented towards management practices. The priorities of the labour inspectorate, as set down in the national action plan 2023-2025, do not explicitly integrate this dimension, and are logically focused on the most significant issues in terms of occupational health⁴¹.⁴² The third occupational health plan (2016-2020) integrated management issues in an ancillary manner. The 4th plan (2021-2025) refers to it more directly, when it mentions the organisational dimension of psychosocial risks (action 2-3) and the necessary support for the deployment of QLWC approaches (actions 3-1, 3-2 and 3-3). However, in decentralised state services, the implementation of regional occupational health plans often results in coordinated actions by prevention services, but not systematically in the parallel mobilisation of the labour inspection services.⁴³ Managerial issues continue to be handled essentially by ANACT (National Agency for the Improvement of Working Conditions), among other tasks.

³⁶ The ANI states that this right is exercised within "working groups of employees in a homogeneous production or service performance entity", and specifies that these groups can be organised with a professional lead or facilitator, who leads and presents the group's work. The results must be brought to the attention of line management and staff representative bodies.

³⁷ Article 2-1: "In this context, the role of managers is central and management practices are key to achieving the improvements expected in terms of risk prevention and quality of work life."

³⁸ At least once every four years, companies with one or more trade unions must enter into "negotiations on professional gender equality, including measures aimed at eliminating pay gaps, and quality of life and working conditions". At the level of the branch, there is no mandatory negotiation specifically relating to QLWC, but a mandatory periodic negotiation relating, among other aspects, to working conditions.

³⁹ Michel Saily, Aslaug Johansen, Per Tengblad and Maarten Klaveren, *Dialogues social et professionnel : comment les articuler ?* Les docs de La Fabrique de l'Industrie, Paris, Presses des Mines, 2022

⁴⁰ Direction Générale du Travail, *La négociation Collective en 2022*, Bilan et Rapports, 2023 Edition

⁴¹ ANACT focuses on control themes (prevention of occupational accidents and illnesses, combating fraud, reducing inequality, protecting the most vulnerable workers) and adds a cross-cutting theme of guaranteeing the right to participation, through employee representatives, to the collective determination of working conditions and the management of companies.

⁴² It nevertheless referred to the importance of professional dialogue.

⁴³ Created in 1976, ANACT has 265 agents and 16 territorial agencies.



2.2 Standards occupy an essential, albeit non-exclusive, position among the social policy levers influencing management practices in France

While labour law standards, with rare exceptions (see above), do not cover transversal management practices, many of them may have an impact on these practices in one way or another. The following developments are intended to illustrate this, without however being exhaustive.

2.2.1 Legislative and regulatory obligations are multiple and cover numerous dimensions that influence the content and conditions of management

The role of legislation is predominant in French labour law, both in terms of principles and at a technical level, and therefore has an influence on the entire spectrum of the managerial relationship: hiring, performance and modification of the employment contract, termination of the employment relationship.

The Labour Code for example determines the minimum proportion of persons with disabilities in the workforce of companies having more than 20 employees, social dialogue themes (mandatory periodic negotiations, obligations for employer in companies with 50 employees and more to sign a collective agreement or unilateral plan, scope of information - consultation of social and economic committees), gender equality in the workplace index for women/men, etc.

Two recent laws illustrate the dynamism of these legal requirements, which influence management practices without directly targeting them, by introducing **new action logics for companies and employee representatives**:

- The PACTE⁴⁴ Act of 22 May 2019 tries to strike a balance between the strictly economic objectives of companies and social or societal objectives, in line with the Notat/Senard report of March 2018⁴⁵. It eases the terms and conditions for recourse to employee savings schemes (compulsory and optional profit-sharing schemes) and retirement savings schemes, expands the obligations to appoint salaried directors for companies with more than 1,000 employees (regardless of the status of these companies, two salaried directors for eight non-employee directors). The 2019 Act strengthens the societal dimension of companies, by placing the jurisprudence concept of social interest among the purposes of companies and by providing so-called “mission-driven” companies with the possibility of acquiring a “reason for being”, set out in the company’s articles of association the results of which can be verified by a dedicated monitoring body;
- The Climate Resilience Act of 22 August 2021 has made the challenges of the ecological transition an object of social dialogue:
 - An explicit goal of the three-year negotiations at the branch level (Article L2241-12 of the Labour Code) and in companies with more than 300 employees (L2242-20, negotiation on HRP in principle three-yearly);
 - A competence of the SEC in companies with 50 employees and more: the environmental consequences of decisions relating to the organisation of work and techniques can be the subject of the collective expression of employees; the SEC is informed and consulted on the environmental consequences of the company’s decisions (L2312-8 and -17);
 - An object of the economic and social database, to which environmental data are added (L2312-18);
 - Finally, the accounting assessments requested by the SEC can integrate the environmental dimension of the company’s strategic orientations (L2315-87).

The State uses, through laws and regulations, the full range of tools available to it to ensure that company management addresses the social, societal and environmental issues that it deems to be priorities:

⁴⁴ Action plan for business growth and transformation.

⁴⁵ Jean-Dominique Senard and Nicole Notat, *L’entreprise, objet d’intérêt collectif*, March 2018.



- Binding tools, in terms of obligations or prohibitions, remain very present in French labour policies. These obligations can be addressed directly to the employer or focus on procedures. Thus, the obligations to negotiate in companies, and even more so the obligations, for companies, to sign collective agreements or, failing that, to establish an action plan (practice generally referred to by the term “administered negotiation”) are a French particularity that has developed since the end of the 2000's to force companies to take on societal issues through social dialogue: employment of seniors, professional gender equality, arduous nature of the work;
- Obviously, these obligations are stronger when they are tied to sanctions. Thus, criminal sanctions tend to become more and more commonplace (with respect to discrimination, occupational health, concealed labour, etc.) and supplement the civil sanctions handed down by the courts. Administrative financial penalties are also frequently used. Payment into the common funds for the employment of disabled persons is required if the threshold of 6% of disabled workers in the company is not reached. Administered negotiating obligations are generally accompanied by the threat of financial penalties of up to 1% of the payroll. Naming and shaming, which consists in making public the names of companies that do not comply with their obligations, is also increasingly being practised: it can be an additional penalty decided by the judge in the event of a conviction for illegal labour. It was also carried out directly by the administration. It is based on the publication obligations imposed on companies by the Act of 5 September 2018, combined with possible financial sanctions, for the purpose of reducing professional inequalities between women and men. The reform creates wage equality indicators that companies with 50 employees and over must make public within 3 years, with late companies having to set aside a budget to catch up. Financial penalties may be imposed by the administration in the event of inaction by employers;
- Other more incentive tools are used by the State, such as subsidies (hiring bonuses for disabled workers, young people, seniors or work-study trainees - apprentices and holders of professional training contracts), communicating or creating conditions that facilitate appeals to the courts (class actions, reversal or easing of the burden of proof, etc.);
- Public policies most often use a range of different tools in their pursuit of a social goal that are more or less restrictive. The fight against origin-based discrimination is an example of mixed public action: combining obligations (prohibition of discrimination, accompanied by civil and criminal sanctions), facilitation of appeals (class action on discrimination at work), a communication campaign, testing campaigns with individual companies.

In addition to the voluntary action of the legislative and regulatory branch, it is worth examining the influence of case law as it relates to management practices. For example, following the series of suicides within the France Télécom company, the Paris Court of Appeal, in its ruling of 30 September 2022, held that the act of institutional bullying had been established when the company's managers adopted a "*directive and authoritative method that greatly exceeded the management and control power of the company manager*".

2.2.2 Social dialogue has a more limited impact on management practices

Interprofessional or sectoral collective agreements may include structuring dimensions for management practices.

Certain conventional texts may contain binding provisions, which therefore have a direct impact on management in the same way as legislative provisions or regulations. This is the logic behind the recommendations of the national technical committees (NTCs) as regards management of the risk of occupational accidents and illnesses by the general social security system. This is also the case with the collective agreement in the metallurgy industry of 7 February 2022, as well as the branch agreement signed the same day and specifically relating to health, safety, quality of life at work and working conditions. In this case the branch sets down the principles for the prevention of occupational risks based on the reality of the jobs in the industry.

Social dialogue is increasingly occurring outside any legally binding framework with guidelines being established to help guide actions by companies in terms of management and foster social dialogue within these companies.



⁴⁶The development of non-legislative national interprofessional agreements (ANIs) has emerged in recent years. They covered various fields of interest to management, including teleworking⁴⁷ or social dialogue within companies regarding environmental protection⁴⁸.

The draft ANI adopted in April 2024 establishing the “pact for life at work” includes a number of stipulations specifically dedicated to the issue of management practices. This text, ultimately not ratified by representative organisations, explicitly links managerial issues to the major demographic transitions, first and foremost, but also the ecological and digital transitions. Article 2 “*Change management practices*” calls on companies that have not done so to adapt their human resources policies to keep people in employment through age management, the prevention of burn-outs and psychosocial risks, change management and in particular “*changes in work organisations*”. Article 5.1 “*Improving social dialogue on quality of life and working conditions (QLWC)*” provides an indicative list of the issues that mandatory periodic negotiations on the QLWC may address: work transformations, meaning and quality of work, measures to prevent occupational marginalisation, listening to employees concerns regarding technical aspects, work organisation, working conditions and social relations⁴⁹. “*In this regard, it is specified that the Labour Code defines the right of direct and collective expression of employees concerning the improvement of their working conditions, the organisation of activities and the quality of production in the work unit to which they belong and in the company as a whole.*” It is recalled that employers and employee representatives can have recourse to ANACT in this regard. Article 7.4 of the draft agreement concerns professional dialogue⁵⁰, and insists on “*the interest of developing*” this practice in the company “*notwithstanding the prerogatives of the staff representative bodies*”, “*in order to promote job satisfaction, improve quality of life at work and working conditions and keep people in work*”.

Within companies, social dialogue about managerial practices is relatively limited. Although around a thousand agreements concerned working conditions in 2022 (see above), management practices clearly come within the strict scope of the employer’s powers. The staff representative bodies closely involved in managerial issues were removed by the orders of 22 September 2017 (occupational health and safety and working conditions committees (CHSCT) on the one hand, and staff delegates (DP) on the other).⁵¹ Since then, the frequency of employee representation in the company has decreased.

2.2.3 Voluntary standardisation is a controversial topic

The development of soft law is shaped in particular by voluntary standards produced by private actors. They generally take the form of certification frameworks adopted by standardisation authorities (AFNOR in France,

⁴⁶ The ANI of 14 April 2022 put forward ambitious parity provisions adapted to the challenges of a changing working world and was signed by all representative organisations with the exception of the CGT. This agreement classifies national interprofessional productions into 3 categories: normative productions, productions whose purpose is to explain the position of social partners when it is not necessary to generate legal effects, and so-called “impulse” productions that encourage social partners to tackle subjects on a prospective or experimental basis.

⁴⁷ The ANI of 26 November 2020 relating to successful implementation of teleworking, signed by all representative organisations with the exception of the CGT, and extended by order of 2 April 2021.

⁴⁸ The ANI of 11 April 2023 on the ecological transition and social dialogue, signed by the CPME, MEDEF, U2P, CFTD and CFTC intends to provide legal and practical guidelines to foster social dialogue (responsible procurement, human resources management, work organisation). This ANI is not normative and is based on existing regulations. Its purpose is to “facilitate and encourage their appropriation by social stakeholders in companies (...) but also in each branch”.

⁴⁹ This theme is also part of the indicative elements in the draft ANI agreement for the compulsory branch- and company-level periodic negotiations that the agreement proposed to create as regards employment of seniors (Article 7).

⁵⁰ Professional dialogue is defined as “any form of communication and direct sharing of information relating to the life of the company, its organisation and the performance of work. This dialogue encompasses all exchanges within the working community and, where appropriate, with the employer. It interacts with social dialogue without however impinging on its prerogatives or being an obstacle to it. Professional dialogue makes it possible to act on the quality of work, to give a meaning to the work and to get employees more directly involved, when possible, in the company’s operational issues and change management in particular”.

⁵¹ In 2017, 59.1% of companies with 50 employees and over had a CHSCT committee, while only 35.0% had a health, safety and working conditions commission (HSCTC) in 2022. In 2022, 36.2% of private non-agricultural companies with 10 or more employees had a staff representative body, a figure down 8 points since 2018. See DARES, *Les instances de représentation des salariés dans les entreprises en 2022, une érosion qui se poursuit*, March 2024.



European Standardisation Centre, ISO at an international level). These standards have developed in recent years in the area of human resources management.

While the French public authorities and social partners invested heavily in preparing the ISO 45001 standard on occupational health and safety management systems in 2017-2018, the other standards in the same series, which also concern management practices, have not received the same level of attention.

Companies interviewed by the mission on the adoption of these standards had mixed opinions on the subject. In general, they believe that these standards add to the existing regulations in the Labour Code, without bringing any concrete advantages. Moreover, these companies are currently more concerned about implementing the CSRD directive (see *below*).

In France, **the CESE (Economic, Social and Environmental Council), as well as France Stratégie carry out work on the issue of corporate social responsibility (CSR)**. The Ordinance of 19 July 2017 transposes a Community Directive of 2014 on CSR and creates information obligations on social and environmental risks and human rights (risk prevention by means of reasonable procedures). The law of 22 May 2019 extended the scope of corporate social responsibility, defining a management obligation “in the social interest, taking into account social and environmental issues” on the one hand, and creating the possibility for companies to determine their “reason for being”, controlled by a dedicated internal body, on the other hand.

In addition to these voluntary implementation initiatives are the obligations, laid down by Community law, that require that large companies produce social and environmental reporting. These elements are taken into account, in particular, by the rating agencies when these companies call on the public to invest in their stock. These obligations are renewed by the *Corporate Sustainability Reporting Directive*⁵²(CSRD) of 14 December 2022.

2.3 Technical support and training tools are intended to create an environment favourable to good management practices within companies

2.3.1 Public operators provide technical support to management

Tools to support and improve management practices are produced by both ANACT (National Agency for the Improvement of Working Conditions), a public institution under the supervision of the Ministry of Labour and INRS (National Institute for Research and Safety), an institution linked to the occupational accidents and diseases branch of the general social security system. ANACT in particular plays a central QLWC role: the method developed by the agency is explicitly referred to in the 2020 ANI agreement on occupational health, which established the QLWC concept based on the previous QWL concept. The goal of ANACT and INRS is to disseminate these tools and methods.

The DGEFP (General Delegation for Employment and Vocational Training) and BPI France, support managerial innovation by financing human resources consultancy services for small and medium-sized enterprises (SMEs).

Finally, in the private sector, corporate networks and consultancy firms are greatly involved in issues concerning management practices.

2.3.2 Training is a lever for transforming management practices, but it is rarely used for this direct purpose

Many of the mission’s interviewees insisted on the crucial importance of promoting initial and continuous training aimed at spreading good management practices.

In terms of initial training, the action of the public authorities seems limited and difficult to coordinate. The diversity and teaching independence of management training organisations (business schools, engineering and public service

⁵² The CSRD is discussed in the appendix on International Standards. It was implemented in France by the Order No. 2022-1142 of 6 December 2023 relating to the publication and certification of sustainability information and the environmental, social and corporate governance obligations of commercial companies.

colleges), along with the internationalisation of content, dissuade the public authorities and are an obstacle to their interventions in this area.

Continuous training for managers is determined by each company's own internal policies (see inset below). Training organisations specialising in HR are very present in the field of management practices.

A common core of management practices within the Orange Group

The Orange Group is one of the world's leading operators of telecommunications and digital services. It is present in several countries in Europe (France, Romania, Poland, Spain, Belgium, etc.) and Africa (Morocco, Egypt, Senegal, Côte d'Ivoire, etc.), where its positioning is at times that of a historical operator on the market.

The Group's HRD intends to provide all these entities with a common core of management practices, in line with a goal referred to as "many in one". It involves establishing shared principles, embedded in the company's culture and closely connected to the group's business strategy. The leadership expected of managers is attentive to team development, focused on listening to employees and respectful of the principle of openness, empowerment and customer orientation.

Orange has set up management campus courses to disseminate this common culture through activities in which the group's employees take on the role of managers or "managers of managers". Programmes are defined centrally and rolled out in each group entity by local trainers.

The HRD has not observed any major differences in management methods from one country to another, as the principles are broadly common to all, even though the way of communicating may be different in each country with this being largely determined by the history of these entities (direct creations or acquisitions, position on the local market, etc.).

An overall indicator on team engagement and pride in belonging to the company is monitored annually. Employee training is of strategic importance, assessed as appropriate by means of certifications or self-declarations of skills acquired.

In terms of public policies, INTEFP (National Institute for Labour, Employment and Vocational Training), the training body for labour inspectors, also offers training courses intended for at both human resources managers and staff representatives in order to foster social dialogue within companies. These training courses, which offer real opportunities for strengthening cooperation within companies, are as yet insufficiently developed.

2.4 For illustration purposes, all these tools are deployed in the area of psychosocial risk prevention

The policy to prevent and combat psychosocial risks provides an example of how tools can be used to serve a policy that, while not being part of management practices, are nonetheless related to them.

France addresses this issue:

- By adopting standards and ensuring they are applied:
 - The Labour Code broadly addresses issues of mental and physical health at work and the law has specified certain important concepts, in particular harassment (including organisational psychological harassment - see above); the Code includes QLWC issues among the items that are subject to mandatory periodic negotiations by companies and branches, as well as themes about which the SEC may be informed or consulted;
 - The 2013 ANI agreement on QWL and the 2020 ANI agreement on occupational health risk prevention set out a number of principles and tools;

- The voluntary implementation of ISO 45000 standards on occupational health and safety management systems supplement the above.
- Through financial and technical incentives: dissemination of best practices by ANACT and its network, but the occupational accidents and diseases branch is not very present due to the small number of cases;
- By fostering a favourable environment, for example by integrating psychological occupational risks into the occupational health strategy since the third occupational health plan.

3 Social stakeholders are increasingly taking on the issue of management practices and see them as a way to improve performance

3.1 The topic of management practices is gaining ground in the public debate and companies are increasingly being encouraged to address these issues

In the debate on labour policies there is an increasingly strong consensus as to the importance of taking a close look at management practices, and in particular fostering participation by workers in the two areas identified by Eurofound.

In February 2010 the report by Henri Lachmann, Christian Larose and Muriel Pénicaut *Bien-être et Efficacité au Travail*⁵³ identified management as a major determinant of quality of work life: "the health of employees is first and foremost the business of managers, it cannot be outsourced: local managers are on the front line as regards occupational health". To re-empower local managers, the report proposed mitigating the excessively matrix-like nature of certain organisations, so that employees can easily and unambiguously identify their line manager. It also reaffirmed the authority of local managers to take, and not just to execute, decisions. For this reason they should be given room to adapt the way their teams are organised. The report also recommended preparing and training managers to exercise their leadership role, affirming their responsibility towards their teams. According to the authors, this required that the human dimension of management be integrated into the training curricula of business and engineering schools, and that internal promotions to managerial positions within companies be systematically supported by providing team management training enabling those chosen for this to leave their position as an expert behind and change their posture.

The work carried out during the recent period is fully in line with this initial work. The proceedings of the "Assises du travail" meetings⁵⁴ in particular have widely addressed the issue of management in France. The report insists on the absolutely essential role of local managers in supporting the employment changes underway, in order to confer responsibility (and ensure their effective participation), autonomy and recognition on employees: "Management practices must now be the cornerstone of empowerment, the creation of spaces for professional dialogue, the essential pillar of the risk prevention culture, the guard overseeing concrete application of the company's "reason for being" at all levels in the company. To do this, business leaders must rethink managerial functions and support and train managers."

The report describes the changes in work: profound changes in organisations, loss of the central position of work in a person's life, the search for meaning, the concern for environmental issues, hybridisation of time, intensification of work with the new technologies, less linear career paths. It underlines the importance of employee participation

⁵³ Henri Lachmann, Christian Larose, Muriel Pénicaut, *Bien-être et efficacité au travail – 10 Propositions pour Améliorer la Santé Psychologique au Travail*, report commissioned by the Prime Minister, with the assistance of Marguerite Moleux, February 2010

⁵⁴ Conseil National de la Refondation, "Re-considérer le travail", report from the organizers of the Assises du Travail, April 2023

in order to avoid loss of meaning⁵⁵ in a context of changes in the work organisation. It aims to strengthen work groups in order to restore trust and counter the development of work archipelago.

The report makes proposals in four areas: a revolution in management practices and the development of a social dialogue on work organisation (area 1), improved work-life balance (area 2), the portability of social rights (area 3) and protection of workers' health (area 4).

With regard to management (area 1), the report makes several recommendations:

- Review the training provided to managers, both initial and continuous training, experiment a sector-based approach in each region, provide access to finance for continuous training and have recourse to management certification systems. In essence, it involves adapting management to the transformations underway, in particular hybrid working, identifying situations of psychological suffering, understanding the challenges of social dialogue and knowing how to lead a work group and having everyone take part; the report specifies the institutions that could be involved (the state, Opcw, Conférence des Grandes Écoles, social partners in the Certif pro context);
- Renewing democracy in the workplace by extending professional dialogue on work quality and organisation, in both the public and private sectors, entrusting ANACT with a mission to capitalise on good practices in this field and giving social partners the task of negotiating an ANI agreement on this basis;
- Organise social dialogue in the vicinity of working situations by encouraging the professional branches to negotiate the setting up of local representatives and by allowing the threshold for the obligation to set up a Health, Safety and Working Conditions Commission (HSCTC) to be lowered on the basis of extended branch agreements, in particular in the sectors of activity most exposed to occupational risks;
- Reinforce the social dimension in corporate social responsibility (CSR) approaches by launching the assessment provided for in the 2018⁵⁶ report of the "Notat-Senard" mission to analyse the impact, in terms of quality of work, of the choice of mission-driven company status and the broadening of employee participation in corporate governance, and by providing for a legislative provision to make an item on the consequences for physical and mental health compulsory at each consultation of the ESC.

Other recommendations from the "Assises du travail" meetings concerning the other three areas are not dissociated from management:

- Moving from a formal right to switch off to practical implementation and respect of this right, both by employers and employees, by encouraging the signing of jointly drafted time charters, promoting and updating them regularly and having initial and continuous training of managers include elements on the right to switch off along with good practices on how to identify weak signals of professional burn-out;
- Add a 10th general principle on risk prevention to Article L.4121-2 of the French Labour Code: listen to employees' concerns regarding technical aspects, work organisation, working conditions and social relations.

⁵⁷The empirical work conducted under the direction of Pierre Deheunynck and Franck Bournois consists of identifying the management practices of 10 French companies that are efficient both economically and socially.

⁵⁵ DARES, *Changements organisationnels : la participation des salariés permet-elle d'éviter le risque dépressif ?* 2017

⁵⁶ Nicole Notat and Jean-Dominique Senard, "*L'entreprise, objet d'intérêt collectif*", report to the Ministers for the Ecological Transition, Justice, Economy and Labour, March 2018

⁵⁷ ESCP Business school, "*Des entreprises pionnières, créatrices de valeur par l'emploi et les compétences*", report, September 2022



The collective work *Que sait-on du travail*, published in 2023⁵⁸, gives a recap of publications work in this area and deals extensively with the issue of management practices in France⁵⁹. It supports the overall idea of strengthening the autonomy, recognition and participation of workers within companies.

In February 2023 the Institut Montaigne published the results of a survey conducted among a sample of 5,000 workers in France and relating to work.

In June 2023 the “Meaning Project” report⁶⁰, based on interviews with 130 people (labour experts, company managers and employees) and reflections led by a group of HRDs, noted that while meaning at work is not a new concept, it is undergoing profound transformations. Recent studies show that it is not just something for the highly qualified professions. Meaning is a factor in employee engagement and retention. Several examples are reported of the economic efficiency of management methods based on recognition of the work done and autonomy given to employees. The quality of management is also linked to organising times for providing feedback on the work and during which the contacts are physically present. The report analyses the demand for meaning at work and sets out 10 commitments in the form of a “Manifesto to make work meaningful again”. It calls on companies to adhere to this approach. It is essentially about explaining employees’ missions, linking them to the usefulness of the work and the company’s reason for being, taking into account employees’ proposals, giving them career development prospects, selecting and recognising managers who care about their employees’ feedback and having the support of the company’s governance.

In October 2023 the Haut-commissariat au Plan⁶¹ reviewed the abundant literature on the most contemporary developments in work in France, and, more specifically with regard to management practices, emphasised the demand from employees for recognition and autonomy.

In April 2024 the CESE (Economic, Social and Environmental Council) issued an opinion on the balance between working and personal life⁶². Its recommendations are based on four themes, the third of which is entitled “engaging all working communities in the managerial revolution”. As regards this third theme, the CESE believes that more attention should be paid to the workload on employees, beyond working time and organisation. The recommendations are formulated within a constant legal framework: companies volunteering to apply them will develop a strategic managerial project, indicating the tools available to managers to assess the workload and integrating these mechanisms into the civil service.

More or less specialised publications maintain the debate around “French style management”,⁶³ and relay the convergent criticism from the world of research.

3.2 Social partners identify management practices as a common area for progress, but diverge on how to improve them

The mission called on all trade unions and employers’ organisations that are representative on the interprofessional level.

⁵⁸ In the collective work (coordinated by Bruno Palier), *Que sait-on du travail ?* Les presses de Sciences po, 2023

⁵⁹ See in particular the following contributions: *La qualité du travail et de l’emploi, une contre-performance française ?*, by Christine Erhel, Mathilde Guergoat-Larivière and Malo Mokakhami; *Prendre la mesure de la crise du travail en France*, by Maëllezig Bigi and Dominique Méda; *Une organisation du travail apprenante pour développer des emplois de qualité*, by Salima Benhamou; *Investir dans la capacité d’apprentissage de l’organisation, pour la double transition digitale et écologique*, by Nathalie Greenan and Sylvia Napolitano; *Les effets du management de proximité*, by Laurent Cappelletti; *Le lean à la française: management technocratique et faiblesse du dialogue social*, by Jérôme Gautié.

⁶⁰ Projet Sens, “*Du sens à l’ouvrage, comprendre les nouvelles aspirations dans le travail*”, report by Jean-Baptiste Barfety, June 2023

⁶¹ Haut-commissariat au Plan, *La grande transformation du travail – crise de la reconnaissance et du sens du travail*, October 2023.

⁶² CESE, *Articulation des temps de vie professionnel et personnel : de nouveaux défis*, April 2024 (rapporteurs Christelle Caillet and Elisabeth Tomé-Gertheinrichs)

⁶³ Alternatives Economiques, *Enquête sur le management à la française – autoritaire, technocratique, vertical*, February 2024; Administration, *Le nouvel âge du travail*, April 2024; L’Express, *Les délires du management*, May 2024.



The issue of management practices emerged as a central issue for several organisations encountered (CFDT, CFE-CGC, MEDEF), even if opinions as to the difficulties to be solved and the reforms that could be carried out in this regard differed. The fact that the draft ANI agreement on the “pact for life at work” explicitly includes stipulations on management practices (see above) is proof of a collective awareness about these issues despite the fact that this draft text has not been ratified.

The social partners agreed on the need to adapt business practices to the post-Covid 19 situation, in which employment tensions are increasing. They also agreed on their perception of different expectations among young workers, and believe that innovative approaches must be found to retain employees.

The organisations consulted also stressed that the cultural dimension of management in France can be linked to verticality and relations of authority that also characterise public life. Many insisted on the State having to set an example in this area. Several trade union representatives indicated that in the civil service, managerial approaches suffered from the same ills as in the private sector: management making decisions without taking into account the opinion of employees, power distance, obsession with reporting.

Most representative organisations spontaneously believe that there is a malaise among managers, which has to be addressed. Management training is essential for all organisations consulted. They also, more surprisingly, criticize excessive reporting, especially in larger companies, and agree on the importance of containing it.

The issue of professional dialogue is the subject of relatively convergent approaches between the organisations encountered, although there are still nuances between the positions of the trade unions traditionally favourable to these unintermediated deliberative approaches and those who claim to be attached to the preeminence of collective representation.

The greatest divergence between employers’ organisations and trade unions lies in the distribution of responsibilities with regard to management practices. While employers’ organisations consider that this area comes within the remit and authority of employers, employee representative organisations consider that these practices must be a subject for social dialogue.

3.3 In companies, the issue of management practices is becoming increasingly important in a context of tensions among the workforce

In the companies interviewed by the mission, the question of the capacity and retention of the workforce has emerged as a major issue, underpinning the thinking and actions of human resources departments. While the answers may be contrasted (see box below showing an example of Accor Group practice), and depend to a great extent on the organisations chosen according to size, the business sector and management principles (more or less decentralised), all managers met spoke of the importance of this issue and the imperative need to integrate it into management principles.

An indicator of social promotion among Accor Group managers and leaders

Accor is the largest hotel group in Europe and the sixth largest worldwide. It employs close to 300,000 persons through franchises, management contracts and hotels managed directly.

The issue of hiring and retaining these employees is of strategic importance, as the labour market and employee expectations have changed all over the world, especially in the hospitality sector.

Since 2022, the Group HRD has been measuring the proportion of managers and leaders who do not have third level qualifications, in order to encourage hotel management to adopt a dynamic policy when it comes to promoting their employees.

There are two reasons for choosing to track this indicator:

- It is important to demonstrate to future employees the actual existence of what one of the founders of the chain called the “social ladder”, by providing concrete proof that those who so wish can rise up through the ranks within the group;

- The indicator makes it possible to approximate, by a relatively simple measure, the degree of diversity of the teams working in the hotels. There is a correlation between this diversity and the likelihood of having a third level degree. Social and cultural origin is more difficult to measure and involves much more complex and intrusive employee surveys. Information on the level of qualifications is collected once and for all when they join the group; it can be set against the position currently held by the employee at any time.

Today, more than 60% of Accor employees have an initial level of education equivalent to the baccalaureate and below. 33% of managers and leaders have this level. The Group HRD aims to increase this percentage, and monitors it by country and by hotel.

Managerial innovation is generally much sought-after, and can be promoted through the group's communications such as on the Google Rework site for example. Groups such as Renault and Michelin have publicly promoted professional dialogue mechanisms as factors in their economic performance and in employee fulfilment in a group setting.

Employee participation is generally the backbone of the desired managerial innovations. The tone is relatively critical when it comes to externally imposed formulas (lean systems in particular are the subject of numerous reservations⁶⁴). The HR managers interviewed insisted on the need to experiment on a trial-and-error basis to try to come up with formulas adapted to the production systems and work units concerned.

The company's values are frequently promoted to influence management practices. Among these, humility and attentiveness were brought up several times during the interviews.

Experience of professional dialogue in the 2010s at Michelin⁶⁵

At the Michelin tyre company, professional dialogue was adopted between 2000-2010 as going hand-in-hand with the company's international development.

When a very rational system inspired by Toyotism and called the *Michelin Manufacturing Way* was implemented in 2004-2005, productivity increased by 30% but staff felt impeded by inhibiting constraints so the group launched a project to empower employees. The MAPP, "*Autonomous Performance and Progress Management*", initiative was therefore put in place. The system was in addition to the previous system inspired by Toyotism.

The initial approach consisted of identifying thirty-eight test production islands in eighteen pilot plants. It was decided to reduce the presence of supervisors among blue-collar workers. "Correspondents" were appointed among the workers and their unpaid role consists essentially of speaking on behalf of the group of workers.

Teams must occupy their autonomy space: managers are asked to move out of the decision-making space and experimental factories were initially prohibited from communicating with each other, so as not to hamper their creativity. There is no best practices manual, but only measurements of the level of team autonomy, production performance indicators and a regular assessment of employee morale.

One year later, five sites were tasked with designing a method of spreading these experiments and coming up with new management principles.

The weight of French regulations is paradoxical from the point of view of the human resources departments of international groups. On several occasions, regulations have been seen as a restrictive factor for management, but also as a lever allowing French HRDs to free themselves from procedures imposed by head office which were

⁶⁴ Professional dialogue at Michelin was set up in reaction to these standardised procedures: when a very rational system inspired by Toyotism and called the *Michelin Manufacturing Way*, was implemented in 2004-2005, productivity increased by 30% but staff felt impeded by inhibiting constraints and after consulting with the workers the group launched a project to empower employees called the MAPP, the autonomous performance and progress management programme, which came on top of the previous system.

⁶⁵ This section is based in particular on the article by Bertrand Ballarin, *A la recherche d'un nouveau modèle d'organisation et de management chez Michelin*, in the Journal de l'Ecole de Paris du Management, 2017/4 No. 126 and the book by Michel Sailly, Aslaug Johansen, Per Tengblad and Maarten Klaveren, *Dialogues social et professionnel: comment les articuler?* Les Docs de La Fabrique de l'industrie, Paris, Presses des Mines, 2022.



perceived as generating even more severe constraints. Requirements related to the professional equality index, or social dialogue (mandatory periodic negotiations, administered negotiation) may constitute levers of empowerment described as useful by the managers of these companies in each country. They can also spread, with several managers reporting a levelling up of the Group's other sites based on French standards, particularly when the Group's image had to be homogeneous.

In this context, paradoxical expectations of managers are frequently identified and presented as difficult to resolve. Managers are asked to liberate their teams without lowering production or quality levels. These tensions are particularly highlighted by the work of the APEC (see above).

Saint Jean Industries: the manager is responsible for the company's human capital and therefore for value creation

Saint Jean Industries is a company that manufactures aluminium parts for vehicles by casting, forging and machining. It supplies leading brands such as Audi, Porsche, Chrysler, Aston Martin and Tesla. It is a family-owned business the particularity of which is based on an innovative manufacturing process that makes it possible to make safety parts between the road and the chassis that are lightweight while having a very strong mechanical resistance. Today, this large SME employs 1,800 people and has four sites in France, as well as factories in Croatia, Germany, Spain, the United States and China.

Great attention is paid to managers in the company since they are considered to be a major factor in value creation for the company due to their ability to convey the company's strategic vision, develop skills and retain teams (conversely, according to the HRD, a bad manager can destroy around €1 million in value in a few years). This is what led the company to set up a "management school" to provide training for all new managers and retraining for managers already in place. These training courses were designed (and even dispensed) by the HR director himself, based on the realities of the business and its values such as humility, team spirit, passion, etc. A training course devised and dispensed by consultants would not have the same value. The company is based on the idea that the management style must take into account the societal requirements of its time, especially in such a tough business as the automotive industry.

The quality of management, at all levels of the hierarchical chain, is regularly brought into question and assessed, in particular during annual performance reviews. A manager who does not meet the team management requirements set by the company will be given a negative review and their remuneration will be impacted. If the manager persists in this way, they will lose their manager status. This is not a sanction, but simply putting a person in a function in which they can best use their skills: you could be a top flight engineer, a renowned expert at your job, yet not have the skills to be a good manager. The company applies this policy to avoid putting managers and teams in difficulty.

However, the company has not set up a professional dialogue system despite several attempts, but does recognise how useful it could be and is planning to phase it in over the coming years.



ANNEXE 2 : MANAGEMENT AND SOCIAL POLICIES - GERMANY

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This appendix is based on information collected from the mission's contacts in Germany:

- Public representatives.
- Trade union organisations.
- Business representatives.

In addition, the mission was able to discuss its analyses in depth with the social counsellor at the French embassy in Germany, as well as with his team, and would like to thank them very much.

1 Analyses on management in Germany are on the whole positive

Several statistical studies, as well as academic work on occupational sociology, compare management culture and practices between France and Germany.

The main differences lie in the room given over to social dialogue and employee participation, the decision-making process, which is more directive and solitary in France (see appendix for France) whereas in Germany the manager seeks to create an environment that fosters collective decision-making as much as possible, the manager’s expertise



in Germany, often obtained through apprenticeship training and often in the same company (even though this is on the decline recently), compared to the legitimacy accorded to managers in France through their education.

To support these findings, the mission interviewed managers who have worked in both countries and studied certain papers, in particular:

- The surveys on companies and working conditions conducted by Eurofound, the results of which appear more favourable to Germany than France (see below);
- The *European values study of the International social survey program*⁶⁶ or the survey carried out annually by IFOP among French, German and British employees⁶⁷;
- The EU-OSHA European Survey of Enterprises on New and Emerging Risks (ESENER) conducted in 2009, 2014, 2019 and 2024. The latest available results are those for 2019.

As for France, the references made to Germany in terms of management are based in particular on the work of the Eurofound European Agency.

In general, this work concludes that management quality in Germany is above the European average and higher than in France.

1.1 Eurofound's 2019 Working Conditions Survey puts Germany in a favourable position

The Eurofound working conditions survey (EWCS)⁶⁸ shows results for Germany that are mostly better than the European average, but not in every area. However, many results are better for Germany than for France.

The declared good health rate (feeling of being healthy) is lower in Germany than the European average (78% of respondents in Germany compared to 80% in the EU28 average) and also lower than in France (81%). On the other hand, the 'well-being' indicator, which includes notions that go beyond health such as 'mood', 'vitality' and 'dynamism', places Germany very high in the European ranking at 73%, compared to an average of 68% for the EU 28 and 64% for France, which is almost 10 points lower than Germany.

Eurofound calculates 7⁶⁹ **job quality** indicators. With regard to the control of physical risks that may affect workers' health, Germany is very well positioned, in fourth place in the EU 28 panel, above the European average and well above France, whose score in fact fell between 2010 and 2015.

As regards exposure to chemical risks, posture risks and risks linked to the work environment, Germany is in a very good position: 3rd in the European ranking and therefore well above France, which is in the bottom third.

If we look at the work intensity index, the situation in Germany is comparable to that of France, both of which are slightly better than the European average;

As regards working time, the volume of hours worked per week places Germany in a situation close to the French situation, albeit slightly less favourable but both countries are close to the top of the European ranking, with a controlled volume and low variation. In detail, the very strong place of part-time work in Germany (as in the Netherlands) sets both countries apart. Germany, on the other hand, is in a better position with regard to the number of long working⁷⁰ days, 15% compared to 23% in France.

⁶⁶ <https://europeanvaluesstudy.eu/>

⁶⁷ Reported on in such documents as "*Le nouveau rôle central des managers et l'enjeu de la reconnaissance au travail*", IFOP Focus No. 233, September 2022 or "*Je t'aime, moi non plus*", *Les Ambivalences du Nouveau Rapport au Travail*, IFOP Focus No. 234, January 2023

⁶⁸ Eurofound (2017), "*Sixth European Working Conditions Survey – Overview report (2017 update)*", Publications Office of the European Union, Luxembourg

⁶⁹ Physical environment, work intensity, working time quality, social environment, skills and discretion, prospects, earnings.

⁷⁰ Measured by the number of employees who declared less than 11 hours between the end of one working day and the start of the next, at least once in the previous month.



In terms of the social environment, which brings together items concerning experience of a hostile environment and management quality - respect, recognition, team spirit, feedback, support from colleagues and the manager - Germany is doing a little better than France, but is still trailing behind the other European countries. On the other hand, experience of hostile behaviour is lower in Germany (16%) than the European average (17%) and lower than France (24%). On the other hand, Germany is not as well ranked as France in terms of female managers (30% in Germany compared to 40% in France);

From a social dialogue perspective, Germany is counterintuitively below the European average of countries where employees report having an internal company committee dedicated to occupational health and safety, a situation linked to the fact that works councils are far from present in all German companies. Similarly, the participation indicator, the ability to have resources to perform their tasks and access training, combined into a skills and autonomy indicator, is lower in Germany (55% of employees) than in France (59%), with the European average at 58%.

Germany is close to the European average (like France) when it comes to access to training offered by the employer. **On the other hand, in terms of career prospects, Germany is much better positioned than France** (in the top quarter alongside the Scandinavian countries and the United Kingdom).

Germany is among the bottom third of countries where employees report that restructuring has affected their work (17% vs a European average of 22% and 30% in France.) This means that **the stability of the structure is almost twice as high in Germany as in France.**

Germany, on the other hand, has a high absenteeism rate, at the bottom of the EU 28 panel, and France has the best result. In terms of employment for seniors, Germany is at the top of the European ranking of 55-year-old employees who say they feel able to work up to the age of 60 (almost 90% of respondents) compared to 55% in France.

1.2 The updated survey from 2021 shows strong autonomy at work and trust in management

Following the survey launched in 2019, an update was produced in 2021 based on a questionnaire replied to over the phone. The data were provided to the mission in the form of tables⁷¹. The tables in the France appendix (X) are used to measure work organization methods, perception of management, perception of working relations in Germany in comparison with the European average and the 4 other countries in the European panel chosen by the mission including France.

The analysis of the survey results on the work organisation in Germany shows:

- that organisation methods with low levels of autonomy and participation are rarer (24%) than in the other countries in the sample and also lower than the European average (29.5%), and in particular lower than in France by nearly 10 points (34.4%).
- Germany stands out in particular not in terms of participation, which is rather in the European average, but above all in terms of autonomy at work, as **59% of labour organisations are built on a high degree of employee autonomy.**

In terms of management perception, Germany also stands out from other countries in the comparison and the European average.

Thus, even though a majority of respondents (80%) think they have (according to a disparate regularity) support and help from management, **nearly 20% think they never (or rarely) have it**, which is worse than the European average, 14.8%, and worse than France at 16.70%.

⁷¹ The content of the questions and the procedures for administering the survey differed too much in 2021 to allow for an analysis of changes in the responses provided by employees.



On the other hand, trust in management and in management quality is very high, as only 12.80% of respondents state that they have little trust compared to 25.6% in France and a European average of 16%. This trust level is also high in Ireland and Sweden.

We could combine these two indicators by saying that **employee' trust in management quality is at such a high level, and the autonomy accorded to employees so wide-ranging, that these employees do not need support and help from the manager, or have less need of this support and help.**

With regard to the working relationship, the situation in Germany is different from France and close to the European average and is based on cooperation and trust.

Thus, most employees surveyed (94%) felt that there was a **good relationship between work colleagues, that management had a high level of trust in employees (88.7%)** and that **employees had a high level of trust in management (79.6%)**, compared to only 62% in France for this latter point. The answers to this question are consistent with the item in the previous table on employee trust in management.

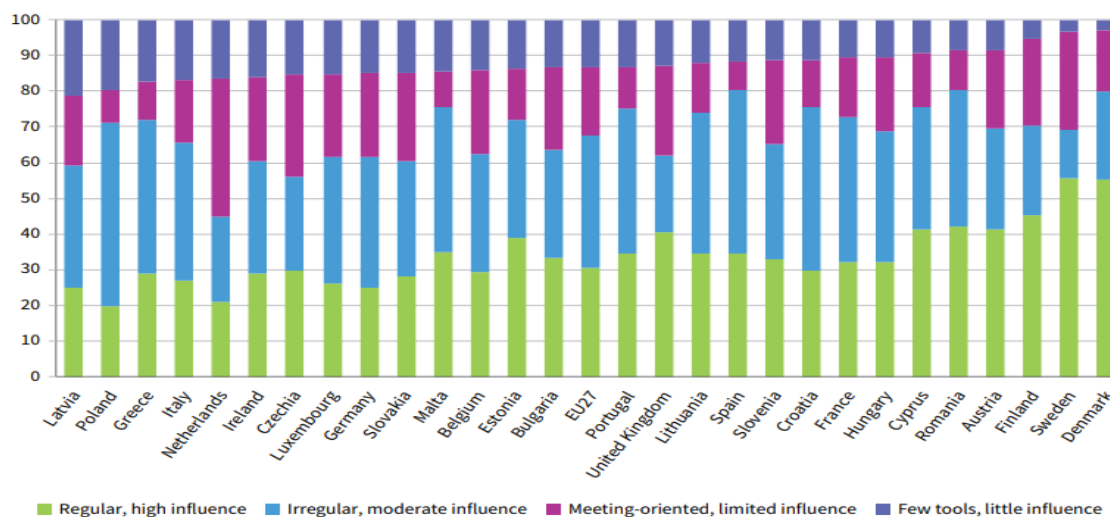
1.3 Further surveys by Eurofound, OSHA and IFOP help us round out our vision of management in Germany

1.3.1 The European Company Survey (ECS) 2019

The fourth European Company Survey (ECS), carried out jointly by Eurofound and Cedefop in 2019⁷², provides interesting insights into management and work organisation in Germany.

Firstly, the rate of direct participation by employees in management decisions in Germany is low and the result is employees have the impression their influence on company decisions is low or moderate.

Graph 1. Direct employee participation by country in %



Source: ECS 2019 management questionnaire

⁷² Eurofound and Cedefop, *European company survey 2019, Workplace practices unlocking employee potential*, 2020. The survey is based on responses from 22,000 HR decision makers and 3,000 employee representatives. It describes the management practices associated with two beneficial outcomes for employees and employers: well-being at work and the performance of the establishment. The analysis shows that the institutions most likely to generate this win-win result are those that combine a high degree of employee autonomy, a balanced motivational strategy, a global training and learning strategy and high levels of direct employee involvement in decision-making, while offering managerial support for these practices, with this support being underpinned by a dedicated corporate policy.



Chart 1 shows that Germany is below the European average in this area (69% believe they have regular participation with high or moderate influence) compared to only 62% in Germany and 72% in France. This result is to be correlated with the importance of social dialogue in the German model and, conversely, the weakness of direct participation or professional dialogue.

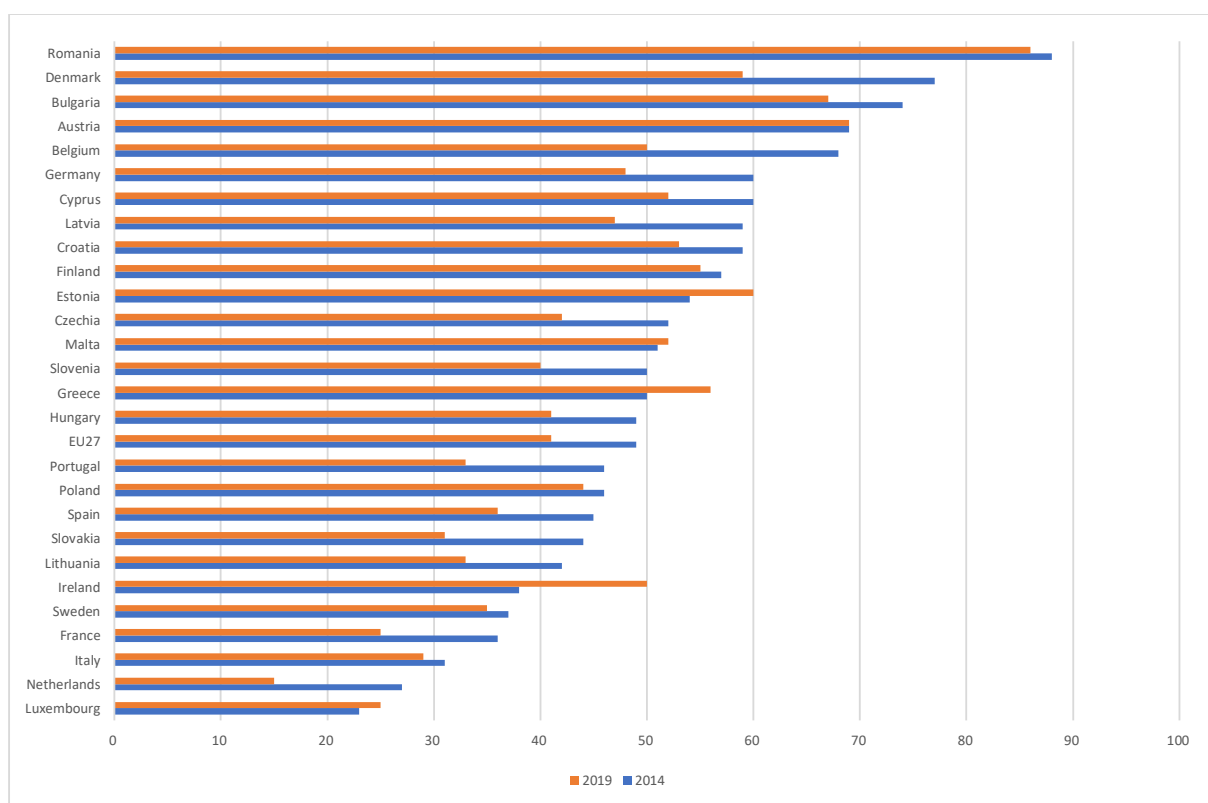
1.3.2 OSHA’s European Survey of Enterprises on New and Emerging Risks

The EU-OSHA European Survey of Enterprises on New and Emerging Risks (ESENER) was conducted four times in 2009, 2014, 2019 and 2024. The latest available results are from the 2019 telephone and internet survey of 45,000 public and private organisations with 5 or more employees in the 27 countries of the European Union, Iceland, Norway, Switzerland, Serbia, North Macedonia and the UK. This survey is presented in detail in the appendix on France.

Overall, **Germany is in a favourable position in this study, both in 2014 and 2019, generally better than the average and often performing better than France.** This is the case for the frequency of occupational risk assessment procedures measured by the number of companies that conduct risk assessment exercises “regularly”, which is lower in Germany (67%) than in the European average (75%) but higher than in France (59%).

With regard to the frequency of labour inspections, it is significantly higher in Germany (48%) than the European average (41%) and in France (25%), as shown in the following chart. In 2019, only the Netherlands (15%) did less well than France, which ranked second to last in a ranking of 30 countries.

Graph 2. Percentage of establishments that received a labour inspection visit in 2014 and 2019 by country



Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

Consistent with the role of social dialogue in Germany (see part 2), the participation of workers in assessing and managing psychosocial risks is higher in Germany (66%) than in the European average (61%) or in France (58%).



Finally, the survey measures why. On this point, another study by the European⁷³ agency OSHA indicates that the prominent place of social dialogue in Germany (same in Denmark) played a role in assessing the importance of these risks on occupational health and safety.

Finally, in the comparison between France, the average of the 27 European countries and Germany it is worth noting that among the reasons (see following table) for adopting occupational health and safety risk control measures **the preservation of competitiveness has an important position in Germany (70% versus an EU average of 66% and 38% for France), as well as the company's reputation or fear of fines from the labour inspectorate.** This is consistent with the high frequency of inspections in Germany (all sites are inspected approximately every 2 years compared to an average of just once every 4 years in France).

Table1: Reasons for implementing OH&S risk control measures

	Comply with legal requirements	Respond to employee requests	Avoid fines from the labour inspectorate	Protect the organisation's reputation	Increase productivity
France	87%	84%	63%	60%	38%
EU-27	88%	81%	79%	77%	66%
Germany	92%	79%	76%	77%	70%

Source : EU-OSHA, ESENER 2019 (telephone and internet survey of private and public institutions)

1.3.3 IFOP surveys show strong differences between Germany and France as regards management

A 2020 IFOP survey of 1,000 executives in the private sector compared the opinions of three panels of French, British and German executives on management issues in particular. It showed that the vision is very different from one country to another, largely dominated not only by the person of the manager himself/herself but also by the company culture and working relationships specific to each country.

Thus, **in Germany, 75% of respondents said that their work was recognised at its fair value (72% in the United Kingdom), this proportion fell to just 56% in France.** According to this survey, the reasons for this significant difference should not be sought in major differences in pay scales or elements linked to promotion opportunities, but rather in the recognition of the work itself by the manager, which the survey links to issues such as acknowledging the right to trial and error, encouraging individual or collective initiatives, providing feedback to commend and advance employees (efforts are praised, successes celebrated).

In addition, the **concepts of skills development and internal promotion** are among the elements of recognition. While in **France only 49% of respondents believe their company can offer them career advancement prospects, this share rises to 65% in Germany and 68% in the UK.**

⁷³ [Managing psychosocial risks in European micro and small enterprises: Qualitative evidence from ESENER 2019 \(europa.eu\)](https://europea.eu)



2 The system of professional relationships in Germany determines managerial issues

Management issues in Germany cannot be understood without integrating them into a vision of how social dialogue is organised in this country. This dialogue, despite its limits and recent developments, continues to be oriented to coming to compromises.

2.1 A social dialogue with broad skills and responsibilities

2.1.1 Unitary branch-based trade unionism

After the Second World War, Germany re-established a system in which the social partners are responsible for major labour law issues. Thus, working conditions and salaries ("*Tarifautonomie*") are exclusively subject to collective bargaining organised branch by branch.

The trade unions themselves are organised by branch. While there are several trade unions (civil servants, hospital doctors, pilots, train drivers), most of them are organised according to the principle of a representation unit at the level of the professional branch, without in principle any adherence to a political doctrine.

This single representation at the branch level transcends differences in terms of category since the branch union represents blue- and white-collar workers and civil servants in the branch.

Today, there are still eight trade unions that are united within the DGB ("*Deutscher Gewerkschaftsbund*"), which has more than six million members (strong increase in membership in 2023), one third of which are with IG Metall, which represents employees in the metallurgical sector (automotive, electrical engineering, mechanical construction, i.e. a good share of industry as a whole), with another third of members in the service sector.

Trade unions are financed from their members' contributions, i.e. the equivalent of 1% of the gross monthly salary and the proceeds of their investments. Union membership is around 20%, which is three times that of France.

Table2: Number of members of the 8 branch trade unions forming the DGB in 2022

8 DGB branch trade unions	Number of Members
IG BAU (construction, agriculture, environment)	212,378
IG BERGBAU (mining, chemicals, energy)	580,529
GEW (education and science)	272,559
IG Metal (industry)	2,146,815
NGG (food)	185,276
GDP (police)	203,941
EVG (transports)	185,370
Verdi (services)	1,857,394
Total	5,644,262

Source : DGB



This unified and centralised manner of trade union organisation is also to be seen on the employer side, with two organisations that bring together the branch federations and here too without any political affiliations: *Bundesvereinigung der Deutschen Arbeitgeberverbände e.V.* (BDA) Confederation of German Employers' Associations and *Bundesverband der Deutschen Industrie* (BDI) Federation of German Industries. BDA comprises 14 national branch federations and a total of 48 employers' unions.

2.1.2 A dual role on a national and branch level

Grouped into national confederations, **the German branch trade unions work in tandem in social relations:** for example, in the metallurgical sector (in the broader sense in Germany) *IG metall* negotiates with its employer-side counterpart *Gesamtmittel*. In practical terms, these tandems and beyond these, the working relationships between DGB, BDA and BDI, operate on two levels: the national level and operational level.

At the national level, the trade unions and, above all, the confederations are consulted by the government in a format often called the "decision-making triad" at the level of the Chancellor, the main ministries and the 3 major confederations.

On the operational level, Article 2 of the Act of 9 April 1949 (*TarifvertragGesetz*) provides that the **confederations representing employees and employers regulate the working conditions and salaries in each of the branches independently through collective bargaining agreements (*Tarifverträge*).**

These collective agreements are entered into for a period of 18 months to two years and negotiations resume 6 months before the end date of the collective agreement. Since the agreement includes a "peace clause" (*friedenspflicht*), which is generally the case, no strike is possible during this period, the strike being the last recourse when all negotiations have failed.

2.2 The importance of the co-determination system ("*Mitbestimmung*") a guarantee of economic performance and well-being at work

2.2.1 The works council, an employee representative body with very extensive powers

Employee and employer unions have powers and responsibilities at national level ("decision-making triad") and at branch level ("tariff autonomy and working conditions") and are therefore not theoretically present within companies, even if there are cases of company-based collective agreements (RWE, Lufthansa, etc.) At this level, above a threshold set at 5 employees, the Works Council ("*Betriebsrat*") is competent to defend the interests of employees; it is elected by all employees. Of course, many representatives on the Works Councils are *also* trade union members, but they are not elected *as* trade union representatives.

So from an **institutional point of view, there is no trade union as such present in German companies.** The only exception concerns companies with more than 2,000 employees where 1 or 2 trade union representatives sit on the Supervisory Board, but this only concerns around 700 companies.

These works councils (*Betriebsrat*) have extensive powers and are responsible for complying with the applicable legal and conventional provisions as well as for co-defining with the employer the rules on discipline, working hours and work organisation (processes and procedures), rest periods and the prevention of occupational accidents. They validate recruitments (except top management) and have a veto right on certain individual provisions. Table 5 summarises the powers of the works councils by major law category.

Table3: Powers of the *Betriebsräte*

Co-definition	Consultation	Information
---------------	--------------	-------------



Working hours, overtime, schedules	Individual measures	Business planning on new buildings
Job Categories, performance bonuses	Hiring	New work processes or workplaces
Staff training and development	Dismissals	
Occupational health and safety	Activity transfers	
Data protection	Restructuring	
Procedures, processes, workplace organisation	Workplace innovations	
	Projected workforce management	

Source : *German Ministry of Social Affairs*

While in principle works councils are mandatory in companies with at least 5 employees, they are created at the initiative of the employees and are not present in all German companies, but only in 43% of those to which this obligation applies (like SECs in France, which are only present in 32% of French companies).

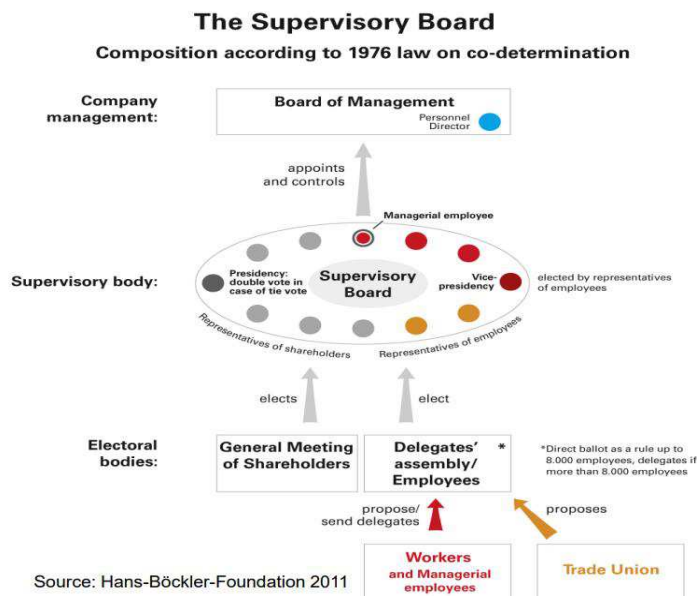
2.2.2 Employee participation also takes place on supervisory boards

Above a threshold of 500 employees, employees are also represented on the supervisory boards, in a manner that depends on the number of employees in the establishment:

- for companies with a workforce of between 500 and 2,000 employees, the supervisory board must comprise one third of staff representatives (the so-called one-third participation Act of 1952). This concerns 1,500 companies in Germany;
- for companies with more than 2,000 staff, the supervisory board comprises an equal number of employee and shareholder representatives, in addition to seats reserved for company management (the Co-determination Act of 1976). This concerns 650 large German companies;
- for companies in the steel and coal industry with a workforce of more than 1,000 employees, the Supervisory Board comprises an equal number of employee and shareholder representatives and one "neutral" member, qualified personalities (Act on co-determination in the steel and coal industry of 1951). This only concerns around twenty companies in Germany.

The remit of the supervisory boards includes monitoring the company's business strategy, reviewing the annual accounts, senior management appointments, major strategic decisions such as borrowings, large-scale investments, restructuring operations, procurement and site transfers.

The composition of the supervisory board in large German companies



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2.3 Co-determination is apparently efficient in terms of well-being at work and company performance

The system of employee participation and representation on the Works Councils, which have a good reputation among German employees⁷⁴, also seems to have positive effects not only on the social climate and employee well-being, but also on the economic performance of the companies. According to several studies by the Hans Böckler Foundation, albeit close to the DGB yet independent, **co-determination apparently has positive results on the economic performance of the company.**

First of all, this concerns the role and responsibilities of the works councils.

Thus, a study⁷⁵ by the IZA (Institute of Labor Economics) produced by three researchers from the University of Trier, the University of Bournemouth in England and the American Georges Washington University respectively, in January 2019 shows that **companies with a works council have health in the workplace results that are +18% better** in terms of absenteeism, the implementation of health promotion schemes at work, risk prevention actions and the consultation of employees themselves on occupational health and safety issues.

Similarly, a 2020 study⁷⁶ by the *Leibniz-Institut für Wirtschaftsforschung* (Leibniz Institute for Economic Research) in Halle shows that **companies with works councils perform better economically** through higher productivity (+12% with differences between sectors), wages (+8%) and profitability. However, the latter point is debated in other studies which show that higher wages may have a negative impact on profits.

Likewise, supervisory boards apparently play a positive role in the company's performance.

⁷⁴ Hans Böckler stiftung impuls 2019: 79% of respondents believe that co-determination is good for the German economy.

⁷⁵ [Works Councils and Workplace Health Promotion in Germany \(iza.org\)](https://www.iza.org/publications/papers/11111)

⁷⁶ **Steffen Müller, Georg Neuschäffer: [Worker Participation in Decision-making, Worker Sorting, and Firm Performance](#)**, IWH Discussion Papers No. 11/2020

Thus, the Berlin⁷⁷ Research Centre for Social Sciences publishes a "**co-determination index**" showing that companies with a co-determination mechanism have higher investment rates, better CSR, higher staff training rates, greater job security, a senior management remuneration system that is based more on the long-term rather than the share price of the company on the stock exchange.

A steel mill in Osnabruck operating with a powerful works council, a good example of German social consensus

The *Georgsmarienhütte GmbH* steel mill employs around 6,000 people across several sites, the main one of which is in Osnabrück. It is a modern steel mill that only produces recycled steel of different grades for the automotive industry (75% of turnover) and rail transport. The raw material mainly comes from the metal parts of used cars, household appliances, etc. It is therefore an industrial company the supplies and customers of which form a single network.

It is one of the 20 companies governed by the Coal and Steel Act of 1951, which provides for a supervisory board with an equal number of seats for employee and capital representatives (in this case private family capital) and chaired by a "neutral" qualified personality. The approval of the supervisory board is required when appointing managing directors.

In addition, the works council has wide-ranging powers from validating new hires to investments. Each of the Group sites has a works council that delegates one of its members to the Group works council.

When it was on the brink of bankruptcy 20 years ago, the business was saved by a loan guarantee from the state and **the social consensus, where each party made efforts to enhance the performance of the company. These efforts paid off and the company is now genuinely profitable and has consequent growth prospects** in the rapidly expanding "green steel" market. The company redistributes its profits and rewards capital and work in a balanced manner. The Works Council ensures there are significant investments in training and career prospects. This leads to a **remarkable social performance since absenteeism remains moderate, employee loyalty is very strong (there are some entire families who are or have been employed by the company), turnover is low at around 2% and satisfaction surveys conducted every 3 months on management give positive results.**

3 Action levers on management practices operate through different channels

While management practices are no more an object of public policy than in France as such, the State and the social partners implement management support tools in companies, particularly with regard to recent developments linked to certain major transformations.

3.1 Management and the digital transformation are topics dealt with both by law and social dialogue

Management in the context of the digital transformation and in particular the place taken by artificial intelligence are subjects dealt with both by the law and social dialogue.

⁷⁷ [Wissenschaftszentrum Berlin für Sozialforschung | WZB](https://www.wzb.eu/en)



3.1.1 An evolving regulatory framework

When the German government realised the effects the digital transformation would have on jobs but also on team management, **it legislated to increase the number and position of works councils and extend their responsibilities**, a sign of the trust it places in them to regulate working relations.

Thus, **the 2021 act not only aims to increase the number of works councils, but above all gives them greater powers, particularly in the digital and teleworking area**. As regards artificial intelligence, it provides the possibility for members of the works council to be assisted by an independent AI expert.

A bill is also being discussed to take into account the effects of AI on personal data management.

Indeed, the Federal Ministry of Social Affairs has observed that teleworking, on the one hand, and the incorporation of artificial intelligence tools into work processes on the other, enable large volumes of data on employees to be collected (number of clicks and keystrokes, time spent in front of the screen, emotions expressed and collected by means of facial recognition tools). This is a potential source of a wide-ranging algorithm-based management, or, simply stated, control of employees that is incompatible with their rights and freedoms and that could generate psychosocial risks.

The law in preparation for which the Chancellery has already given its consent but which must be discussed by the social partners aims to limit the use of these data for employee management purposes by totally prohibiting the measuring of employee activity using digital sensors (cameras, keyboard, mice, etc.) whether for teleworking or not.

3.1.2 The impact of AI on management, a topic of social dialogue

The issue of digital data as a source for assessing and monitoring employees' work has been a topic of social dialogue in many German companies, especially since the 2021 Act came into force. This Act grants specific powers in this area to works councils.

A manifesto negotiated by the works council regulating AI management at Deutsche Telekom

With a workforce of 200,000 and a turnover of 115 billion euros, Deutsch Telekom is the largest telecommunications company in Europe. It is the heir of the former public operator Deutsche Bundespost and the German state still holds 32% of the shares.

Operating in a telecommunications and digital sector, heavily impacted by artificial intelligence, DT has implemented an active policy to regulate the use of AI in the context of the employment relationship.

Indeed, the company's Works Council (*Betriebsrat*) has initiated in-depth reflection on the uses of AI in many of the company's work processes and in the lives of employees, be this for hiring, measuring employee activity or performance reviews. This led to the adoption of a "manifesto on the uses of AI in the working relationship". This "manifesto", which is integrated into a wide range of tools related to digital ethics, is divided into 4 parts: a specific charter of principles⁷⁸, the establishment of a class of risks linked to AI in working relations, the formation of a permanent working group responsible for monitoring and adapting tools comprising an equal number of experts and HRD and works council representatives.

⁷⁸ 1. The interaction between workers and learning machines is designed in such a way that employees are informed that they are interacting with a machine. 2. In order to protect against machine-based performance and behavioral control and to prohibit the use of unauthorized data, the provisions of the Group Works Agreement on IT Systems apply. 3. Conclusions that have a legal effect on employees or have a similar significant impact on them are preserved for human decision-makers to make. 4. Employees whose employment relationships are only indirectly affected by machine decisions can also demand a review of the system decision from those persons responsible. 5. AI systems are not used to obtain information or conclusions about workers' political opinions, ideological beliefs, trade union membership and sexual orientation. 6. AI systems are not used to analyze, influence, or control employees' emotions or mental state. Biometric data of employees as well as such AI systems that are designed to improve employees' well-being will only be used if a works agreement allows it. No AI systems are used for the purpose of attributing character traits.

It is interesting to see that the co-determination system has made it possible to implement a flexible but strict system (e.g. a pure and simple ban on collecting and therefore on using emotion-related data) a balanced employee protection system that does not refuse AI at all, including in sensitive areas (hiring, performance reviews), but which regulates its uses. These provisions are regularly updated.

3.2 The INQA (Initiative for a New Quality of Work) supports management practices

Since 2002, the *Initiative für eine neue Qualität der Arbeit* (Initiative for a new quality of work) has been supporting medium-sized companies in matters of management and quality at work.

3.2.1 A system bringing together public authorities and social partners

⁷⁹Originally founded by the Federal Ministry of Social Affairs (BMAS), INQA is an independent body financed by public and private funds and bringing together the Ministry, the equivalent of France Travail, the major employee (DGB and branch trade unions) and employer (BDA and BDI) union confederations, the agency for health and safety at work and the Chamber of Commerce and Industry.

The aim of this organisation is to support companies in matters of well-being at work at a time when work is taking on a new meaning and major changes in quality of life and working conditions issues are taking place. **The main and stated purpose of the INQA is to make working conditions more attractive and safer** for employees and more conducive to innovation while being economically viable for employers, as well as **helping companies increase the appeal of their jobs and retain employees**.

To this end, exchange and consultancy services are available and information is provided on practices for SMEs (employees, managers and HR staff) and company networks in an atmosphere of dynamic of mutual learning and sharing of best practices.

Four main themes are dealt with: management (leadership and participation, work organisation and working hours, diversity and quality of life at work (work-life balance, diversity management, inclusion), health and safety at work (physical and mental health, prevention of accidents at work), skills (digital transformation, HR development, continuous training).

3.2.2 Original financing and interesting results

INQA publishes calls for proposals by subject, branch and region to which SMEs respond, in particular via consular networks.

Consulting and support services are always provided in groups of 10 or 20 applicant companies in formats ranging from action training to coaching programmes, support for pilot projects, and innovation rooms to set up an HR or management transformation project.

⁷⁹ *Arbeits- und Sozialministerkonferenz (ASMK), Bundesministerium für sozial affaires, Bundesagentur für Arbeit (BA); Bundesarbeitgeberverband Chemie (BAVC); Bundesanstalt für Arbeitsschutz und Arbeitsmedizin (BAuA); Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA); Bundesvereinigung der kommunalen Spitzenverbände (BVKom); Deutscher Gewerkschaftsbund (DGB); Deutsche Industrie- und Handelskammer (DIHK); Gesamtmetall – Die Arbeitgeberverbände der Metall- und Elektro-Industrie; Gewerkschaft Nahrung-Genuss-Gaststätten (NGG); Industriegewerkschaft Metall (IGM) Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE); Vereinte Dienstleistungsgewerkschaft (ver.di) Zentralverband des Deutschen Handwerks (ZDH)*



The INQA also provides companies with guides on the four main themes covered, as well as self-assessment questionnaires that enable SMEs to be aware of their level before committing - or not - to buying more specific services.

INQA is paid for each service - for example an initiative room for two years for 10 companies costs €600K - but based on a model in which 80% of the costs are covered by FSE+ credits and only 20% are ultimately paid for by the companies. Thus, **each support project is actually an FSE+ project the project engineering of which is organised by INQA** in order to facilitate access for companies.

This **facilitating and ultimately inexpensive method is very popular among SMEs** since INQA has supported 10,000 companies since its creation and 1,000 companies have been supported in one year since the implementation of the innovation room services in 2023.



ANNEXE 3 : MANAGEMENT AND SOCIAL POLICIES - IRELAND

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This Appendix contains the information collected from the mission's contacts for the Republic of Ireland:

- Public representatives,
- Trade union and employer organisations,
- Business representatives,
- Researchers and representatives of think tanks.

In addition, the mission was able to benefit from very in-depth discussions with the French Ambassador in Ireland, the Economic Mission Department in Ireland, and the social counsellor with the French Ambassador in the United Kingdom.

1 International analyses show a very high level of trust between employees and their management

Data from analyses conducted by Eurofound and EU-OSHA place Ireland in a medium position among European countries, but with remarkable performances in some areas. The details of the results are set out in the Appendix on France, which includes the relative situations of the countries in the comparison group.

The results of the EWCS study (2021) for Ireland are relatively average on the whole. The proportion of establishments offering working conditions that foster employee autonomy and participation is close to European standards. In Ireland, as in France, the level of worker autonomy is lower than in the European average (61.3% of establishments have an organisation where worker autonomy is low, compared to 51.3% in the 27 European Union countries).

On the other hand, managerial support is perceived as very important (51.5% of respondents consider that they are always supported by the manager, compared to 41.1% in the EU-27 and 33.2% in France), **and the management trust and quality index is very high** (it is estimated to be “strong” in 30.7% of cases, compared to a European average of just 24.6% and 16.1% in France). Co-operation rates among colleagues, like the rates of trust between employees and company management, are also very high and above the European and French averages.

According to data from the Eurofound ECS study (2019), **Ireland is positioned very favourably on the two summary indicators concerning well-being at work and organisational performance.** The ECS survey also confirmed the high level of trust between managers and employees, which the 2021 EWCS study also showed: mutual trust and perceived support levels are very high. At the national level, according to a study on job satisfaction and work-life balance by the *Central Statistics Office (CSO)* in 2021, 9 out of 10 respondents in Ireland said they were satisfied with their job, including 63% “satisfied” and 25.9% “very satisfied”⁸⁰.

The EU-OSHA ESENER study (2019) on Occupational Health and Safety Management does not highlight any notable peculiarities as Ireland is around the European averages, with the exception of the reasons for adopting such measures: these reasons are more linked to protecting the organisation’s image than the need to comply with regulations.

⁸⁰ CSO, *Job Satisfaction Personal and Work-Life Balance 2021 - Job and Life Satisfaction and Barriers to Work* - Central Statistics Office (2021).



2 Informal and individualised management practices are set in the context of a highly polarised economy between traditional sectors and the multinational companies based in Ireland

2.1 Ireland's economic and social structure appears to be extremely polarised, between US multinationals and the traditional sectors

Two economic worlds coexist in Ireland:

- **US multinationals in the tech and pharmaceutical sector in particular**, which established both their headquarters and operating facilities in Ireland from the 2000s onwards, for a number of reasons relating to the country's tax and social status, its cultural proximity to the United States, its educational performance and the political situation enabling these companies to access the European market. The sector is remarkably dynamic and Ireland has now been dubbed the "Celtic tiger";
- **The traditional Irish economy**, where wages are lower, consists of:
 - Services to the population (health and social services, hotels and catering, retail shops, administrations): wages are relatively low, and job quality is poor;
 - Agriculture (especially livestock), which dominates the traditional economy. Industry did not develop in the country until the US multinationals arrived, explaining the lack of a strong trade union tradition.

Sectoral inequalities are very high. This polarisation has had the effect of pushing up wages overall, without enabling the conditions offered in traditional economic sectors to be adjusted. In the fourth quarter of 2023, the average hourly labour cost was €33.4, but it varies between €55.2 in the industry and communications sector (dominated by the multinationals) and €18.5 in the food sector. Hourly labour productivity in the domestic economy is €53.8 while that of the globalised sector of the Irish economy was up to €381 in Q4 2023⁸¹.

Dublin is experiencing extremely severe housing problems. The country's rapid development has not been accompanied by a sufficient supply of housing. Rental prices are among the highest in Europe.

2.2 Ireland is undergoing rapid and sustained development based on a resolutely liberal economic model

The Irish economic and social model is first and foremost liberal. There is no Department of Labour per se in Ireland. Issues concerning labour law standards are the responsibility of the Department of Enterprise, Trade and Employment. There are few labour law rules but these are well-known and much discussed. They mostly originate from EU directives and form the bedrock of labour rights with direct and effective implications for Irish workers (see below). Recent or pending directives are therefore the subject of much more debate and comment in Ireland than in the other countries visited by the mission.

While the presence of US companies is reflected in the constraints and inequalities perceived by traditional sectors, **there is a very broad consensus that this presence is an undeniable asset enabling Ireland to reach a very sustained level of development while the memory of a relatively poor country up to the early 90s still lives on** among today's working generations.

⁸¹ Moreover, the issue of Ireland's political reunification could have significant implications on this balance, as Northern Ireland has more highly developed administrative and industrial sectors than the Republic with social relations marked by this situation and a consequential stronger trade union presence.

Irish economic performance is largely built on the success of multinational companies, in particular American companies. These companies (X-Twitter, Google, Meta, Airbnb, etc.) account for 22% of direct jobs and about a third of all jobs when indirect jobs are included. They provide 63% of the added value of non-financial companies. Since 2017, domestic growth rates have never fallen below 5%, even in 2020 when the pandemic caused the country to almost shut down⁸². The economy is at full employment, with the unemployment rate fluctuating between 4% and 4.5% since April 2022.

2.3 Management practices are influenced by a very tense labour market

The rapid development and polarisation of the economy have resulted in very significant tensions on the labour market. 91% of employers say they are facing skills shortages, with the public sector having the most acute shortages⁸³, but all sectors are impacted.

The economic challenges reported by companies mainly relate to human resources management: the three main priorities for organisations in 2024 are: talent management (attracting, retaining and developing talent), managing production costs and leadership development. These priorities are, for HR Directors, talent management, leadership development and employee experience.

This is driving Irish employers to broaden the spectrum of their recruitment to take in new profiles and to look abroad for the missing talent. **This is also encouraging employers to try to retain their employees** by developing training, offering increased flexibility in the work organisation and investing in their employer brand.

Manager training is crucial in light of the workforce shortage and the profound work transformations underway. There are micro-programmes to support the development of managers' skills, within the public training offer provided by the SOLAS state training agency. Access to hybrid and remote working continues to increase since the end of the Covid-19 crisis. In 2024, more than 40% of organisations said that over half of their workforce were concerned by flexible or hybrid working. The percentage of organisations having less than 10% of work being carried out remotely fell from 35% in 2023 to 19% in 2024.

As regards management, the largest employers' organisation in Ireland, the IBEC, shared its views in an article published in May 2023 on its website: it underlined the crucial importance, for the vast majority of companies it surveyed, of paying particular attention to managers, and specifically training them to manage teams in a hybrid working context, as this was causing great difficulties for these companies. While **half of managers have been trained in hybrid employee management**^{84,85}, the IBEC study reports that only one third of employers have committed themselves to such training approaches, and calls for it to be spread wider. More generally, the employers' organisation sees developing managerial skills as a decisive factor in maintaining economic competitiveness⁸⁶.

Although the challenges linked to disruptive technologies (artificial intelligence, automation and the introduction of new technologies) and professional equality between women and men appear to be to the forefront among managerial issues, both by the companies consulted by the CIPD⁸⁷ and by the people interviewed by the mission, **the challenges linked to the ecological transition and the ageing population are far less present in public policies or in the priorities of businesses and the social partners.**

⁸² 6.6% in 2020; 15.1% in 2021; 9.4% in 2022.

⁸³ CIPD, *HR practices in Ireland 2024*, Survey report, May 2024.

⁸⁴ CIPD, *HR practices in Ireland 2024*, Survey report, May 2024.

⁸⁵ IBEC, *The changing role and demands of the manager in today's workplace*, 5 May 2023.

⁸⁶ "The demands of today's working environment have left many managers completely out of their depth. They feel pressure from above and below. They are expected to implement corporate strategy with regard to hybrid work, while also providing a sense of purpose, flexibility, and career opportunities. (...) In conclusion, the importance of skills such as clarifying expectations, communications and being present, leadership, emotional Intelligence, digital literacy, adaptability and openness to learning are critical for people managers of the future."

⁸⁷ CIPD, *HR practices in Ireland 2024*, Survey report, May 2024.



2.4 Irish management is described as informal and largely individualised

In this particular context, the Irish management model is perceived as advantageous and positive by most of the stakeholders interviewed by the mission. These respondents present it as essentially informal, based on social hierarchies that are not stringently defined, “flat” organisational charts and a clear preference for friendly and conflict-free interpersonal relations. However, the dualism of the labour market probably conceals heterogeneous management practices, which are difficult to reveal among the national averages. The traditional sectors (administration, hospitality, healthcare and medical-social, retail), which are less productive and less dynamic, were described by several participants in the mission as having less participatory management than in the sectors with strong growth.

The academics interviewed by the mission described a growing trend in companies to favour so-called “transformational” leadership over “transactional” leadership, as in most western countries⁸⁸. But beyond that, they believe that it is the informal nature of management that prevails in Ireland. The example of the manager obliged to go to the pub with his team after work came up many times during interviews and this on all levels (academics, HR managers, representatives of think tanks or public institutions). It reveals a management culture in which power distances are reduced and valued as such, by both leaders/managers and the employees under their authority.

One of the questions, which was repeatedly discussed during the interviews, was whether the weight of US multinational companies had been decisive in shaping management practices in Ireland. The opinions expressed by interviewees on this point do not give a clear-cut answer to this question. Many of the mission’s interviewees considered that the informal and low-conflict nature of social relations in Ireland, combined with an efficient educational system, a very favourable legal and taxation environment for setting up businesses, as well as the cultural proximity linked to the practice of the English language and Irish emigration to the United States, had probably been conducive to American companies setting up in Ireland, in particular Californian companies⁸⁹. Nevertheless, the management model of multinational tech companies can itself be relatively heterogeneous: some management practices are described as performance-oriented, others as people-centric; some companies have massive recourse to teleworking, others are much more restrictive.

The influence of American companies has given EDI (equality, diversity and inclusivity) policies an important place, even though the Irish history of migrations clearly sets it apart from the United States. Indeed, immigration is a recent, low-controversial phenomenon in a country with a huge diaspora, mainly present on the American continent. **However, issues relating to mental health at work were virtually not addressed by the participants in the mission,** but this does not mean the problem is objectively less serious than in the other countries studied.

In Ireland, working relations between individuals far outweigh collective relations. Mechanisms aimed at ensuring good management practices are only very rarely dealt with by the trade unions or employee representatives. Individual recognition of rights at work is paramount, whether it be rights linked to the work organisation (“right to request”, see below) or methods to combat discrimination (as illustrated below by the mechanisms put in place by an American multinational company in the digital sector). **In this context, it is possible that management plays a role in listening to and relaying employee concerns, with this also being provided by employee representatives.**

⁸⁸ By reference to Bass’s theories of the mid-1980s (*Full Range Leadership Model - FRLM*): transformational leadership encompasses four types of management practices: idealised influence, inspirational motivation, intellectual stimulation and individual consideration. Transactional leadership, on the other hand, is based on exchanges: the manager assigns objectives to his subordinates, who are rewarded or sanctioned depending on their performance.

⁸⁹ A person interviewed by the mission, who knows France and Ireland very well, told the mission: Here we are in the middle of the Atlantic.



The very close proximity between managers and their employees revealed by international studies (see above), could be an indicator of this. In the context of rapid development of remote working, the manager is playing an increasingly central role.⁹⁰ He is becoming the main link between the company and the employee.

The mechanisms to listen to employees and have them participate in a large tech services company based in Ireland

In Ireland, the US multinational tech services company is structured around business units dedicated to each country and in which employees are usually native speakers of the language of the country. It has developed a system to hire and retain the best employees. This is achieved through its corporate culture.

This culture is based on regular staff promotions, as part of the half-yearly workforce review procedures. Employees selected to become managers undergo continuous training on the corporate vision, career management, team performance, work-life balance, inclusivity, etc. They can also call on a network of peers, established at a global level, which operates based on a co-development logic.

Indeed, the role of management is considered essential and interpersonal relations within teams are given particular attention.

This concern translates into a ubiquitous "feedback culture". Forums, both physical and virtual, are highly developed, and enable any employee to directly engage with managers, even at the highest level, and without any prior filtering.

Twice a year, managers are assessed by their teams, based on 10 indicators rated on a scale of 1 to 5 (level of delegation, communication qualities, sharing of vision, technical skills, inclusivity, etc.). This system is very demanding and requires managers to be vigilant when it comes to interpersonal relations. People-centric leadership can involve numerous techniques but these are not mandatory: meetings during which managers just listen to their employees and do not speak, 15-minute sessions of informal exchanges without a particular agenda, etc. Managerial innovation is essential and highly valued by the company.

The company pays particular attention to ensuring there are no sanctions applied as a result of this free speech, and the Human Resources Department can be contacted, even anonymously, if an employee has a complaint to make about the behaviour of a manager, and more broadly any distressing situation. An investigation is then carried out which could possibly go up to the level of the head office in the United States.

Individual rights are central in particular in the fight against discrimination. The systems for listening to employees and managing any difficulties are individualised.

2.5 The pandemic context and new worker aspirations are described as important drivers of change

Most of the participants in the mission described the Irish management model as consensual. **While the model itself is not debated that much, the companies setting up in Ireland offer favourable pay conditions but are part of the cause of the increase in housing prices which is often described as unbearable.**

Yet the positive consensus does not seem to be affected. The main employer and employee organisations appear to be in phase. Representatives of small and medium-sized enterprises (SME) highlight the risks linked to these inequalities, with persistent hiring difficulties linked to their inability to offer the same wages as the average in these sectors. But the majority organisations (IBEC on the employer side, ICTU on the employee side) agree on the need

⁹⁰ IBEC, The changing role and demands of the manager in today's workplace, 5 May 2023: "Gartner's Nine Future of Work Trends 2022 reports that 60% of hybrid workers say their line manager is their most immediate connection to the company culture".



to strengthen workers' rights in order to improve job attractiveness, increase recourse to immigration and improve public services, including through an increase in compulsory levies⁹¹.

On the other hand, the pandemic and the arrival of new generations ("Generation Z") on the labour market were described to the mission as important change factors in working relationships. While Ireland hasn't had a 'big resignation' movement, workers' aspirations for a better work-life balance seem much stronger, and the search for meaning is now at the heart of large companies' strategies. More and more companies are developing employee volunteering programmes, which involve making the paid working time of their qualified employees available to association structures.

3 Human resources policies fall are the responsibility of corporate management; social dialogue is residual and the law has established an EU-influenced foundation of rights

3.1 Corporate management has a great deal of leeway in setting their management policy, in a shared economic and cultural context

External standards hold little sway over the HR policies established by company management, and therefore little sway over the forces influencing management practices.

This implies paying particular attention to the company's image, in the context of a tense labour market. Founded in 2000 in Dublin by a Frenchman, *Approach People Recruitment* is a company specialising in international labour placement. The company's management were interviewed by the mission and said that it focused on a *storytelling* approach by recruiters, insisting on the values and activities likely to mobilise potential employees who are in a relatively strong position to negotiate their employment contract.

Conversely, the brutal actions by a digital company that had recourse to massive and rapid redundancies following a change in the company's governance, were often been described as a turnoff for potential employees.

Comparative experiences of the leaders of 5 Dublin-based companies

The information below is gleaned from informal discussions with the executives of five Dublin-based companies: Veolia, BNP Paribas, Axa and the recruitment firms Cpl and *Approach People Recruitment*.

All the companies encountered consider hiring and retaining employees to be a major strategic issue. They deploy numerous and diverse programmes for this purpose: training, mentoring, coaching, skills sponsorship programmes (volunteering days), partnerships with sports clubs, etc. Employees on maternity or parental leave may often be offered the possibility of keeping connected by attending their team meetings remotely. Some HR managers say they adopt a "life cycle" approach and according to a career map, in order to retain their employees of all ages and manage their long-term development by being transparent with regards to promotion criteria. The filling of the gender pay gap is clearly linked to this issue of attractiveness, and is the subject of resolute policies.

⁹¹ The rate of compulsory levies in Ireland was the lowest in the European Union in 2021 (21.9%), compared to 41.7% in the EU 27 and 47% in France (INSEE data).



For all business leaders met, Covid-19 marked a decisive turning point in working relations, both through the spread of remote working (the need for which is growing with the shortage of housing in the Dublin area) and by the confirmation of aspirations that were underlying or implicit until then, of a better work-life balance and an affirmed search for meaning. In this context, HR strategies are broadly decentralised to the national units and departments and are reviewed regularly. Leadership training has developed, in particular for leaders of teams working in hybrid formats. In one company, a *fast track leader* programme, open to all, made it possible to apply for a position at a higher level after just 3 years compared to the usual 5-year period. It aimed to retain managers who aspired to move rapidly up within the company.

At team level, feedback on managerial relationships is frequent (in the form of 360° reviews). The approach is resolutely individual between the manager and their employees, and must be based on trust and transparency. "Inspiring" leadership is sought. Staff representative bodies and trade union delegates play a secondary role if any.

The informal nature of management is presented as non-negotiable, with French companies established locally sometimes having to adapt to it by toning down their more hierarchical habits, as one head of a hiring firm explained about some of their customers: a personal connection with employees is essential. Similarly, the disposable employee model (the "hire and fire" model), which is sometimes practised by certain companies, in particular American ones, is apparently less and less in vogue as the employer brand takes on increasing importance and labour shortages demand that great attention be paid to this aspect.

On the other hand, the introduction of a working week of (or in) four days is not a hot topic and the Dublin organisations consulted by the mission were not envisaging it at this stage. However, companies deal in different ways with the demands from employees who are not eligible for teleworking due to the nature of their jobs: some HRDs believe that education is essential, explaining that not all jobs are suitable for remote working, while others have implemented workaround strategies, such as the informal principle of avoiding scheduling any meeting on Friday afternoons, in order to give many employees the opportunity to go home early. One company offers lunch to all employees present and this both encourages its employees eligible for teleworking to go back to the office and partially compensates those not having access to remote working opportunities.

3.2 Social dialogue is marginal and is not likely to make significant progress in the short term

Ireland operates a voluntary collective bargaining system, there is no obligation to be covered by a collective agreement and there are no administrative procedures for extending agreements. Thus, the percentage of employees covered by collective agreements is low (35%). The level of membership of trade unions is much better than in France (25%), but is declining.

Several interviews have shown that a number of local observers partly attributed the 2008-2009 crisis and the depth of its economic⁹² impacts to the influence of the social partners at the time. Under the *National Economic and Social Council* (NESCC), 87 national agreements were adopted before the financial crisis, but none since.

There is no right to collective representation, and the social partners are hesitant to go in this direction. While employers (Irish Business and Employers Confederation -IBEC) strongly oppose this, employee representatives (Irish Congress of Trade Unions - ITUC-) are not openly looking for a reform in this area as part in the debate around the transposition of the 2022 EU Directive on minimum wages (see below).

It is therefore within companies that collective representation and bargaining is put in place or not. Most digital companies therefore have neither collective employee representation nor permanent trade union representation.

⁹² The period corresponded to a violent recession: -4.5% in 2008 and -5.1% in 2009.



3.3 The law, under the influence of European law and the effects of the health crisis, establishes the basic foundation of these rights, including the “right to request remote working”

Social law has advanced over the past three years under the influence of EU law and the pandemic. The directive of 12 July 2019 on work-life⁹³ balance came into force on 2 August 2022. It set the legal basis for parents and carers (paternity leave, paid parental leave, carer’s leave and flexible working arrangements), which has been adapted in Ireland in particular by the Act No. 8 of 2023 entitled the *Work Life Balance and Miscellaneous Provisions Act*.

The 2023 Act sets out new rights for workers: statutory but unpaid leave for carers, paid leave of up to 5 days in the event of domestic violence, the right to request a work organisation adjustment for family reasons that the employer must process within 4 weeks, stating in writing the reasons for any refusal, and the right to request remote working (“right to request remote working arrangements”).

The Work Life Balance and Miscellaneous Provisions Act (Act No. 8 of 2023) grants employees whose seniority exceeds 6 months in the company the right to request the possibility of remote working. The request must be made in writing, specifying the organisational arrangements proposed by the employee, as well as their reasons⁹⁴, and must be sent at least 8 weeks before the desired start date.

The employer is obliged to examine the request with regard to the needs of the employee and the company and provide a written response within 4 weeks (the period may be extended in the event of difficulties in processing the request). In the event of an agreement, the employer’s decision must be accompanied by an individual agreement setting out the rules applicable to the employee. In the event of disagreement, the employer must state the reasons in writing for this refusal.

The employee who made a request for remote working must not be penalised. Disputes can be referred to the labour courts or the Workplace Relations Commission. At the time of the mission, i.e. a few weeks after the code took effect, less than ten appeals had been lodged with the body.

The prospect of the European Directive on the arrangements for setting adequate minimum wages being transposed into Irish law in November 2024⁹⁵ is the subject of public debate. In particular, the question of how to associate social partners with the setting of minimum wages raises the problem of their representativeness and the optional nature of membership of employers’ and employees’ organisations.

3.4 The codes of practice applicable to remote working and the right to disconnect are legally enforceable under the *common law system*

If the law and collective bargaining occupy residual positions, the **labour administration, with the assistance of the social partners, develops codes of practice for the enforcement of the laws**, the consequences of which go beyond what could be produced by simple voluntary enforcement of standards (soft law).

Indeed, while these codes do not directly create rights for the benefit of private individuals, and the fact of not following them is not an offence, **the principles of these codes can be evoked in labour disputes** referred to the

⁹³ Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU.

⁹⁴ These could be the desire to reduce their commute times and carbon footprint, optimise quality of life or family or medical circumstances.

⁹⁵ Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.



Courts, the Labour Court and the Workplace Relations Commission (WRC), which is also the body which draws up and adopts these codes with the support of the main representative bodies (IBEC and ICTU).

During the pandemic, **in 2021, the WRC adopted a code of practice on the right to disconnect**⁹⁶. The document is an interpretative creation based on the principles of several laws⁹⁷, none of which explicitly defines the right to disconnect. The Code states the right of employees to not be obliged to routinely perform work outside normal working hours, the right to not be penalised for refusing to attend to work matters outside of normal working hours and the duty to respect another person's right to disconnect. The Code also provides that employers must provide detailed information to employees on their working time, ensure that employees are informed of what their normal working hours are reasonably expected to be, ensure that employees take rest periods and review the associated risks as part of the occupational risk prevention approach. For their part, employees must ensure that they manage their own working time in compliance with the right to disconnect, implement any mechanism utilised by the employer to record working time and being mindful of all other people's right to disconnect. In addition, the document provides guidelines for establishing a company's policies in this area. When difficulties arise, the code states that the employee should attempt to resolve the problem with the person(s) in the first instance, then to informally contact their manager, a member of human resources (HR), a trusted colleague or trade union representative. If an informal process has not been successful, then the formal company grievance procedure may be utilised either where there is a collective agreement or directly with the WRC.

In order to implement Act No. 8 of 2023, **the Workplace Relations Commission has adopted a code of practice for remote working and flexible working**⁹⁸. This is binding on both employees and employers in the implementation of legislative principles. It gives many examples of situations and elements that can be taken into consideration when formulating and processing remote working requests, and in particular a list of questions that can justify a possible refusal, without however setting out an exhaustive list of legitimate reasons. The Code also includes an example of a work-life balance strategy in the appendix. This is the only part of the document that refers to the (very open) possibility of having recourse to the opinion of the employee collective representatives, either through a staff representative body or through a trade union delegation.

In general, **matters relating to work organisation and working time are addressed in Ireland from a near-exclusively individual perspective**, associating request and appeal procedures to the rights of individuals under the Common Law system. The procedural logic of these rights seems to satisfy the stakeholders interviewed by the mission, who value good faith and the fair treatment of individual situations, which are by their very nature heterogeneous.

⁹⁶ WRC, *Code of practice for employers and employees on the right to disconnect*, March 2021.

⁹⁷ *Organisation of working time act of 1997, Safety, health and welfare at work act of 2005, Employment Act of 2018 and Terms of employment (information) acts 1994-2004.*

⁹⁸ WRC, *Code of practice for employers and employees - Right to request flexible working and right to request remote working*, 2024.



ANNEXE 4 : MANAGEMENT AND SOCIAL POLICIES - ITALY

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This appendix is based on information collected from the mission's contacts in Italy:

- Public representatives,
- Trade union organisations,
- Business representatives.

In addition, the mission was able to discuss its analyses in depth with the social counsellor for the French ambassador in Italy, as well as with his team, and would like to thank them very much.

1 International analyses on management in Italy show results close to the French situation

The surveys conducted by the Dublin Eurofound Foundation place Italy in a rather average position compared to other European countries, close to the French position (see the comparative tables in the France appendix for more details).

Indeed, the **Eurofound ECS survey (2019) places Italy in an average position in terms of the two indicators that are well-being at work (better than France but far from the Nordic countries) and the perceived performance of organisations** (here again better than France but close to the European average). Furthermore, the study shows that the level of trust and cooperation between management and staff representatives is average in Italy having only a very small number of organisations where trust and cooperation between management and staff representatives is high, placing Italy in the second last position in the European panel behind Lithuania.

The EWCS survey (2021) positions employee autonomy and participation in Italy among the European Union average, with one specific characteristic being that **Italy is the country in the panel with the lowest employee participation** (48.7% of organisations have low employee participation compared to a European average of 45% and 44% in France). In terms of trust in working relations, Italy is close to the European average, with the specific characteristic of employees having a little less trust in management than elsewhere in Europe (68% only compared to the EU average of 72%), this characteristic being shared with France (62%).

However, the EU-OSHA ESENER (2019) survey, places Italy in a rather favourable position as regards working conditions, (despite the recent, clearly unfavourable news) with Italy coming second among countries that perform occupational risk assessments in 2019, slightly down on 2014 when Italy topped the ranking with 94% of companies regularly performing these assessments (compared to just 56% in France).

2 The issue of management is part of a particular economic fabric and social dialogue

To fully understand the issue of management practices in Italy the specificity of the Italian economic fabric must be taken into account. This economic fabric is largely made up of SMEs and VSEs and by a collective bargaining system where trade unions continue to have strong influence.

2.1 The Italian economic fabric dominated by a very extensive network of SMEs and VSEs leads to management practices marked by a strong family business tradition

The Italian economy is characterised by an industrial production sector that is still strong compared to other European countries. **Industry, understood as all non-construction material goods production activities, accounted for 20% of GDP in value terms in 2022** (versus 72% for services), compared to less than 17% in France.

Italy is the second largest manufacturing country in Europe, behind Germany and the 7th largest in the world (France being 8th and Germany 4th).

The strong industrial component of the Italian economy is built around a dense network of SMEs. In 2021, Italy had 390,000 industrial companies (compared to 250,000 in France), of which 99% were SMEs (71% in France) and 81% VSEs with fewer than 10 employees, mostly small family businesses. The average size of Italian companies is 4 employees compared to 5.6 in France.

This specificity of the Italian economic fabric has led management practices that are also family-based, traditional and directive and for which action at the national level is particularly difficult.

According to some authors,⁹⁹ this type of management, which is fraught with nepotism with family members being favoured regardless of their intrinsic skills could go to explain the slower growth rate of the Italian economy and, in particular, the stagnation of total factor productivity.

In addition to this myriad of SMEs and VSEs, it should also be noted that the Italian economy also has large companies (ENEL, ENI, Fiat, Luxxotica, Agnelli, Benetton, Armani, Barilla, Del Vecchio, Ferrero, Illy, Versace, etc.) where the issue of management takes on a different dimension, but in reality some of these large companies continue to be owned by traditional industrial families, despite recent acquisitions by European groups.

2.2 A collective bargaining system that relies on strong social partners with a large number of members

2.2.1 Union membership remains strong in Italy

Created after the Second World War, **the three main Italian workers' unions**, the CGIL (Italian General Labour Confederation), the CISL (Italian Confederation of Free Unions) and the UIL (Italian Labour Union), **now have a total membership of 11.7 million**, with 6.5 million working members and 5 million retirees, i.e. accounting for close to 42% of all members. The CGIL has around 5 million members, the CISL 4 million and the UIL 2.3 million. The estimated 1 million members of independent trade unions must be added to this figure. Thus, **the rate of trade union membership in Italy is around 33%** (compared to 9% in France), but is on the decline, with a very large share of retirees.

The appeal of the trade unions is not essentially their ability to mobilise and strikes are rare in an economy predominantly dominated by SMEs and short-lived, lasting just one or two days most of the time. **Instead, their appeal comes from the services they offer to employees: legal assistance, social security and tax assistance, retirement pension calculations, transition support.**

This ability to offer services and benefits comes from the way they are financed with contributions being either deducted directly by the employer (contribution of 1% of the gross amount of the monthly salary) or paid directly to the union by the member when they join); **this financing system and the large number of members gives the unions significant financial clout, estimated at nearly 2 billion euros¹⁰⁰**. Thus, in its branch dedicated to executives (APIQA), the CGIL provides managers ("Quadri") with support services in a coaching type format for their management function particularly when difficulties arise in their company.

On the employers' side, the most important is Confindustria (General Confederation of Italian Industry), to which are added Confesercenti (representing Italian companies in the retail, tourism and services, crafts and small industry sectors) and Confcommercio (General Italian Confederation of Enterprises, Professional Activities and Self-Employment). **Confindustria is a powerful employer organisation with a strong territorial presence, particularly in**

⁹⁹ See in particular Bruno Pellegrino (UCLA) and Luigi Zingales (University of Boston) in "*Diagnosing the Italian Disease*" National Bureau of Economic Research, Cambridge, Massachusetts, Working Paper No. 23964 October 2017, Revised May 2019.

¹⁰⁰ Salvo Leonardi and Roberto Pedersini, *Trade Unions in Italy, Pluralism and Resilience*, in Trade Unions in the European Union, Peter Lang editor, 2023.



the centre and north of the country. It has its own private university, La Luiss, and a very popular radio station: “Radio24”. It also positions itself as a lobbyist vis-à-vis the government but also offers services to its members.

2.2.2 A two-tier collective bargaining system that favours the branch level

In Italy, collective bargaining is the expression of the constitutional principle of trade union freedom. An agreement in July 1993 established the two-tier system:

- The first tier consists of sector and/or branch agreements (Contratti Collettivi Nazionali del Lavoro - CCNL) that are entered into between the most representative trade unions and employer organisations.
- The second tier consists of decentralised shop-floor (or territory) level agreements, where negotiations take place directly between employers and trade union shop stewards at the company level.

National collective bargaining agreements set minimum wage levels depending on the different levels of employment in a system where the salary paid by the company consists of a basic salary and a company-specific performance bonus.

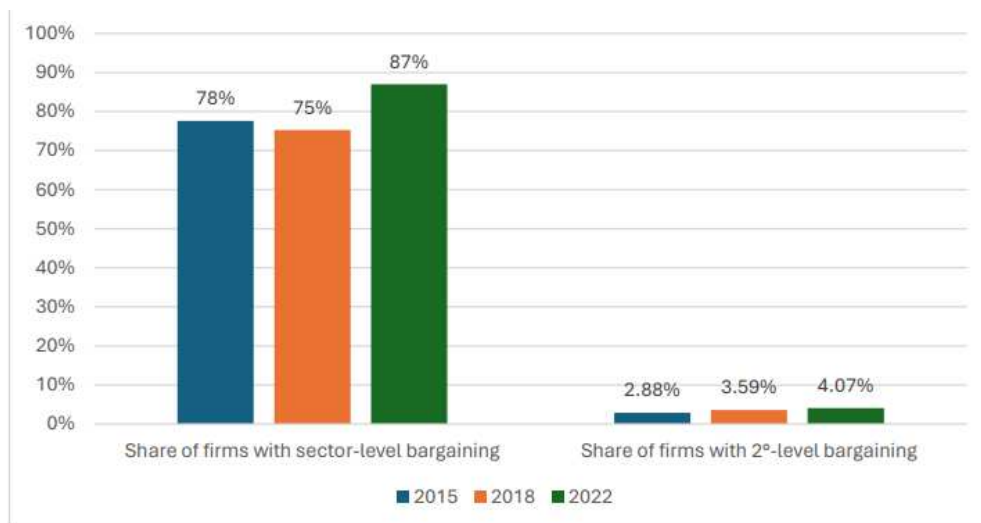
Agreements need to be renewed every three years, but in practice they tend to last longer, as renegotiations are rarely completed on time, and the old terms of employment apply until a new agreement is signed.

There are currently more than a thousand sectoral collective agreements (level 1) that set out the remuneration scales for all employees in the private sector. Level 2 agreements set out performance compensation related to productivity increases, quality and other competitive elements. **In fact, due to the very fragmented nature of the Italian economic fabric, there are relatively few level 2 agreements in which productivity growth is redistributed.**

According to surveys entitled *Rilevazione Imprese e Lavoro (RIL)* conducted by the INAPP (national institute for the assessment of public policies overseen by the Ministry of Labour) in 2015, 2018 and 2022 on a representative sample of private companies and limited liability companies operating in the private non-agricultural sectors, 2nd level collective bargaining has strong coverage but low dissemination levels: **in 2022, just 4% of companies employing at least one employee were covered by this type of agreement, as shown in chart 1 below.** Conversely, 87% of companies were covered by level 1 collective agreements, which gives an excellent rate of employee coverage by branch-level bargaining agreements.



Graph 1. Share of firms with branch and 2nd level bargaining agreements in Italy



Source: Author's elaborations on RIL-Inapp data 2015-2022

Source : Author's elaboration on RIL-Inapp data 2015-2022

3 Strong initiatives to guide and support management practices in Italy

While management practices are not a subject for public policy per se in Italy, certain aspects of management practices have nevertheless given rise in recent years to noteworthy initiatives. It should also be noted that a law on employee participation is being examined in parliament covering the various fields of employee participation in companies (managerial, economic, financial, organisational and consultative participation)¹⁰¹.

3.1 A professional equality policy that has incentive levers

3.1.1 Women's place still too weak on the Italian labour market

The place of women in Italian society and in particular in the Italian labour market remains a concern, especially since it seems to have deteriorated further in recent years.

According to the *Global Gender Gap Index of the World Economic Forum*, Italy is ranked 79th in the world in 2024 and 26th in Europe. The political representation of women remains limited, since in the current legislature, women make up 34% of the Senate and 32% of the Chamber of Deputies, i.e. 200 women for 600 parliamentary seats.

On the labour market, Italy is the worse-ranked country in the European Union in terms of gender equality in the workplace¹⁰². In April 2023 the activity rate for women was 51%, compared to over 70% for men. This 19-point gap is almost twice the average difference in M/F activity rates in Europe, which is around 10 points. Furthermore, gender pay gaps remain strong, at around 5% for an equivalent position and 20% in the private sector.

¹⁰¹ "1) managerial participation: the numerous forms of employee collaboration in the company's strategic choices; 2) economic and financial participation: participation of employees in the company's profits and results, also through forms of capital participation, including shareholding; 3) organisational participation: all the methods of involving employees in decisions relating to the various phases of production and organisation of the company's life; 4) consultative participation: participation which takes the form of the expression of opinions and proposals on the validity of the decisions that the company intends to take."

¹⁰² *Strategia Nazionale per la Parità di Genere*.

In addition, Italy has an uneven distribution of men and women in the job categories, since while the proportion of women is higher among white-collar workers than blue-collar workers, the proportion of women in the “managers” category is low (20%), even though this percentage is growing as shown in the table below.

Table1: Share of women in job categories in Italy

Tabella 1.4 - Tasso di femminilizzazione per qualifica professionale								
	2010		2015		2021		2022	
	F	M	F	M	F	M	F	M
Blue Collar Workers	31,47	68,53	32,02	67,98	32,07	67,93	32,44	67,56
White Collar Workers	57,67	42,33	57,78	42,22	58,16	41,84	58,38	41,62
Apprentices	42,51	57,49	43,73	56,27	40,92	59,08	41,11	58,89
Managers	13,30	86,70	15,47	84,53	20,28	79,72	20,99	79,01

Source : Istituto Nazionale della Previdenza Sociale (INPS), Italian social security, 2023

3.1.2 A national¹⁰³ strategy for gender equality in the workplace

The Italian authorities have taken strong initiatives to address this excessive gender inequality, particularly in the working world. These initiatives are in addition to the legislative arsenal guaranteeing the fundamental rights of women¹⁰⁴ and are aimed at making progress in correcting inequalities in the workplace between women and men in Italy.

Firstly, a system came into force on 1 January 2022 for professional general equality certification entitled “certification of gender equality” enshrined in the Act No. 162 of 5 November 2021 (Art. 4). This instrument, included in the National Code of Equal Opportunities (Article 46-a), is intended to “certify the adequacy of company measures adopted to reduce the gender gap within the company, in relation to the opportunity for growth in the company, wage equality, gender differences management policies as well as the protection of maternity”.

To obtain this certification, the company must obtain a sufficient score on a scale that includes key indicators measuring the reality of gender equality in the workplace in a number of sectors. Specifically, performance indicators which are of a quantitative and qualitative nature, to which scores and specific “weights” are assigned and are divided into six main areas: (i) culture and strategy; (ii) governance; (iii) HR processes; (iv) opportunities for growth and inclusion of women in the company; (v) gender wage equity; (vi) parental protection and work-life balance. Certification is only granted by the Ministry of Labour when a minimum overall score of 60% is achieved. In order to ensure consistency between the various economic operators, performance indicators are measured in proportion to the size of the companies on the basis of the number of employees.

Obtaining this certification not only enables the company to highlight its priorities in terms of gender equality, but above all entitles it, and this is quite significant, to social security contribution deductions of up to €50 thousand per year. This scheme is growing in popularity with 250 certification applications submitted in 2023 with an ensuing

¹⁰³ The National Strategy for Gender Equality 2021-2026 is structured around five priorities: work, income, skills, time and power.

¹⁰⁴ Right to divorce in 1970, ban on dismissing a pregnant woman and maternity leave in 1971, parity within marriage in 1975, right to abortion in 1978, abolition of “reparative marriage” in 1981 and recognition of rape as a crime against the human person in 1996, paternity leave in 2000, repression of gender-based violence and crimes in 2019, equal pay in 2021, new law to combat violence in 2023.



13 million euros in social security contribution deductions and more than 2,000 in 2024 for an amount of 60 million euros, exceeding the budget that had been provided for by the INPS¹⁰⁵. It is still a very recent scheme and the volume of which remains modest in view of the number of companies in Italy, but it is growing strongly and, compared to the French equality index, is accompanied by real financial incentives that increase its effectiveness.

In addition, **the second lever for action by the Italian State to improve the situation of women on the Italian labour market is to act through the public procurement policy**. The “Simplifications-Bis” decree of May 2021 provides measures to facilitate access to public contracts based on compliance with criteria related to gender equality.

Thus, **companies employing more than fifty employees must produce a report on the situation of their personnel. If not they are excluded from the invitation to tender**. They are required to draw up this report pursuant to Article 46 of the Code of Equal Opportunities. Companies with between **fifteen and fifty** employees must **produce a report on the situation of male and female staff in the course of the contract** (within six months of signing the contract).

In addition, **when a public contract is awarded, at least 30% of the people hired by the company selected¹⁰⁶ to carry out the contract or ancillary activities, must be young people or women**. It is interesting to note that the 30% figure applies to the total number of new hires necessary to perform **the contract awarded, including ancillary activities that are sub-contracted out or outsourced**.

The Decree of 30 April 2022 takes this logic one step further by enabling companies that have the gender equality certificate to benefit from a reduction in the so-called “provisional” guarantee (guarantee or deposit, at the choice of the contract winner, of up to 2% of the basic price indicated in the notice). The Decree also states that contracting authorities may award additional points to companies who are in possession of the gender equality certificate among the award criteria.

3.2 Attention paid to the support of managers by social partners

As mentioned above (see 2.2.1), Italian trade unions are now very much focused on offering services to their members. This service offer is also aimed at managers. The example of the action taken by APIQA, the CGIL's executives branch, has already been mentioned, but the most typical action is that taken by Confindustria.

Indeed, the federation of managers, a branch of Confindustria that manages the collective agreement for the “*dirigenti*”, i.e. executive managers, runs a certain number of pooled funds called “bilateral funds”, because they are managed equally between the union and the member executives.

In addition to funds dedicated to one-off financial assistance or to organising a mutual health assistance company, **one of the funds is fully dedicated to supporting managers in their management practices**. It is financed by allocating membership contributions amounting to 2/3rds of company contributions and 1/3rd of manager contributions. This fund, which has been in existence since 2002, is in great demand by managers of small companies. Based on the territorial deployment of Confindustria - for example, there are 300 employees in the centre of Milan - it **enables, in particular, support and coaching actions for managers** to be financed, including service coaching in order to improve the manager's practices in his/her department organisation function.

3.3 "Smart working", a flexible tool for a better work-life balance

The **search for a work-life balance is a long-standing concern in Italy** and which became even more pressing during the Covid crisis. Italy has indeed developed a broader legal framework to achieve this balance, but has also left considerable room for manoeuvre for companies to achieve this goal.

¹⁰⁵ The INPS (*Istituto Nazionale della Previdenza Sociale*) is Italy's leading social security fund

¹⁰⁶ The 30% figure applies to the total number of new hires necessary to perform the contract awarded, including ancillary activities that are sub-contracted out or outsourced



The essential legislation in recent years came in the form of the Act No. 196 of 24 June 1997 “Standards for the promotion of employment”, known as the “Treu Act”, which has brought significant improvements to the work-life balance.

The law also offers the possibility of entering into an “agile” working agreement between an employee and their employer, for a fixed or indefinite period. This is an agreement in which the work organisation is characterised by the absence of time or space constraints and an organisation by cycles and targets, aimed at reconciling work time and private time while promoting employee productivity.

Italian law and practice make a clear distinction between this “agile work” as it has just been described and which allows an employee to work wherever and whenever they want (e.g. a Sunday in the park while watching over the children) and “remote working” which is strictly governed in terms not only of the time spent, i.e. the same number of hours as in the office, but also the fact that the place of work is the home and, finally, the fact that this home is equipped with a workstation provided and configured by the employer (PC, printer, etc.).

Monitoring gender equality indicators and *smart working* agreements at Renault Italy

The Renault Italia Group has some 600 employees, most of whom are “white collar” workers broken down between the company in charge of selling the group’s vehicles in Italy, a financing company and a spare parts company. The only production unit attached to the group is a logistics unit located in the north of the country, the only group entity in Italy to include blue-collar workers.

Smart working:

Human resources management has been profoundly and permanently changed by the health crisis. While there were strong reservations about the introduction of “smart working” (or “agile working”) resulting from the Act No. 81 of 2017 (see elsewhere), the obligation to work remotely for all employees who were able to do so during lockdown periods changed perceptions.

In October 2021 two agile working agreements were adopted for the Renault Italia group, allowing two days per week according to this organisational method for all employees. The agreements include common mandatory connection times (between 10.30am and 12pm, then between 3pm and 5pm) and a right to disconnect between 8pm and 8am the next day. Group management indicated that it wanted to send its employees a message of empowerment, autonomy and trust, in a sector of activity marked by a very directive industrial tradition. A survey was conducted among the group’s employees several months after the agreements came into force, and more than 70% of respondents said they were satisfied, while a comparable proportion said they were in favour of taking the scheme further to 2.5 days a week (by alternating weeks of 2 days and 3 days of “smart working”)

According to the Group’s HRD, it was possible to take this step, with strong encouragement from Renault’s head offices, due to the new context that arose out of the health crisis. Before Covid, there was a strong pushback against “smart working” in particular from middle management.

Gender equality:

Guidelines from Paris (Group head offices) included new targets and key performance indicators concerning gender equality in the workplace:

The first goal is to eliminate any pay gap between employees of both genders by 2025;

The second is to increase the proportion of women in management and on executive committees.

Renault Italia reached the first target in 2023 and is striving to reach the second.

As with the implementation of agile working, the HRD believes that a drive from managers, as well as establishing clear and numerical indicators for social issues, is an indispensable prerequisite for changing behaviour within teams and changing firmly anchored management habits.

Employee unions promote remote working but are more reticent about **smart working, which is likely to lead to a deregulation of effective working hours.** Indeed, the CGIL told the mission that it was concerned about this method



of organisation based on individual agreements and recommends that collective agreements systematically accompany these so as to avoid abuse.

This form of remote working has grown with numerous company agreements being signed in recent years:

- Agreement signed on 26 May 2023 between the FABI, First-Cisl, Fisac-CGIL and Unisin trade unions and the Intesa Sanpaolo bank (Italy's biggest private employer with 74,000 employees), enabling the four-day working week and agile working to be experimented in many of the network's branches¹⁰⁷. This means that bank employees who so wish can work nine hours a day instead of seven and a half hours in exchange for an additional day's leave during the week. This reduces working time to 36 hours per week, compared to 37 and a half hours previously, with one additional day off per week and the same salary level. The right to disconnect is specified in the text: employees must not be asked to connect to IT and group communication systems outside working hours, except in an emergency.
- Agreement signed on 6 October 2023 between Ferrero and the Flai-Cgil, Fai-Cisl and Uila trade unions dedicated to improving work-life balance, by extending agile working to all the company's Italian sites, whereas it had only concerned the group's headquarters and main production site in Alba, Piedmont up to then. This agreement is part of the "smart factory" project, which is based on the digitalisation of production processes and the "active and responsible participation of all employees".
- Agreement signed in 2023 December by Essilor-Luxottica and the Filctem-Cgil, Femca-Cisl and Uiltec trade unions to experiment with the four-day working week in its factories: this agreement provides for 20 four-day working weeks per year for the period 2024-2026, without any loss in salary. In practice, employees do not work 20 Fridays a year: 5 will be recorded as WTR and 15 will be financed by the company, i.e. a decrease in the annual hourly volume of work with no change in salary.
- Finally, an agreement in **the automotive sector between Fiom-Cgil and Fim-Cisl and Lamborghini** that provides for the 4-day working week while maintaining the same wages but with a higher performance bonus for 2,100 employees and 500 new hires planned by 2026. The reduction in the number of days worked depends on the type of work schedules worked by employees. This system is partly financed by reducing the number of annual leave days. The new performance bonus will amount to 4,000 euros.

Finally, there a bill is being prepared on employee participation with incentives for collaboration and innovation in companies. The Chamber's Finance and Labour Committees adopted the proposed popular initiative as the main text to be used to discuss the measure. They aim to get employees involved in the company and provide tax incentives for innovative projects.

¹⁰⁷ The four-day working week has been rolled out in 40 major branches in the network starting on 1 November 2023, and the staff in 250 smaller branches can also apply to benefit from it. As for agile working, it will be experimented in 287 traditional bank branches but for just one day a month.



ANNEXE 5 : MANAGEMENT AND SOCIAL POLICIES - SWEDEN

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This Appendix contains the information collected from the mission's contacts in the Kingdom of Sweden:

- Public representatives,
- Trade union organisations,
- Business representatives.

In addition, the mission was able to discuss its analyses in depth with the social counsellor for the French ambassador in Sweden, as well as with his team.

1 International analyses on management in Sweden show relatively positive results

The data from analyses conducted by Eurofound and EU-OSHA place Sweden in a favourable position (see appendix on the situation of France, which includes the relative situations of the comparison countries).

The Eurofound ECS study (2019) places Sweden among the countries in Europe where trust and cooperation between management and employee representatives are among the highest in Europe. The country is also in a favourable position in terms of well-being at work (Sweden ranks third in Europe in this respect) and the perceived performance of organisations (Sweden ranks in the first quarter of European countries in this respect).

The EWCS survey (2021) ranks employee autonomy and participation at lower than the European Union average. 30.8% of respondents feel they belong to an organisation that combines high autonomy and participation, compared to an average of 32.7% in Europe. Conversely, 33.1% of respondents say they belong to an establishment whose way of organising work combines low autonomy and low employee participation, compared to 29.5% on average. The perception of managerial support and trust in management is also lower, while cooperation with colleagues is perceived as high.

The EU-OSHA ESENER survey (2019) ranks Sweden among the European countries that practice occupational risk assessments most frequently. 85% of public and private organisations do this regularly in Sweden, compared to 75% on average in the EU-27. Sweden is the country in Europe where worker involvement in determining the measures to be taken to manage occupational risks is highest.

2 The search for good management practices is part of the consensus culture

The Swedish social model is very often highlighted as a source of inspiration for other European countries. A less well-known aspect of this reality is that this model was not a foregone conclusion, and that **Sweden is also an example of a country that has succeeded in transforming extremely degraded social relations into a reference in terms of consensus and co-constructing** solutions to economic and social challenges. The Adalen compromise in 1931, on which this model is built, came after a period of violent social unrest.

This compromise is based on a generous wide-ranging social protection system, strong unions and organised employers, an active family assistance policy and flexible labour law essentially based on collective agreements with the law having a subsidiary function in this regard.

2.1 A consensus is sought in the search for good management practices

In general, all the interviewees spoke of their desire to maintain the **Swedish model which they perceive as virtuous, limiting labour regulation to what is strictly necessary in order to maintain the prominent position of collective bargaining**. While collective bargaining agreements are only of benefit to employees who are trade union members, the coverage rate of companies exceeds 90%.

In this particular context, the Swedish management model is perceived as beneficial and positive by most of the stakeholders interviewed by the mission. They consistently present good management practices as a factor of economic efficiency and social well-being.

2.2 “Leadership” is a ubiquitous dimension of social relations

The management model is designed as one aspect of a social model based on collective bargaining and a culture of consensus.

The importance of strong leadership appears to be widely acknowledged. Thus, LO¹⁰⁸ was able to present to the mission, in a very direct manner, the following fundamental principles, which largely converge with what emerged from interviews conducted elsewhere with other organisations:

- A fair and transparent work organisation, including the possibility of asking questions when the employee does not understand the intricacies of the system;
- Management is present, trusting its employees and committed;
- A high level of employee participation with a significant influence on their way of working and the work organisation;
- Open and transparent communication within the organisation, with regular feedback to employees.

The professional association Lenarda (see below) puts forward the following principles of good leadership: sufficient time to devote to the relationship, trust, clarity of missions, availability of the necessary resources, inclusion, dialogue, consistency, predictability, transparency, comprehensibility and legitimacy.

The study carried out in 2020 by the Swedish Work Environment Authority (see below) highlights two types of management shown to be good for health in scientific studies: "transformational leadership" and¹⁰⁹ "supportive leadership"¹¹⁰. These categories, derived from managerial theories, are open to debate, as is the way these categories are effectively applied and the good health criteria used. Nor does the study avoid questions about how relevant they effectively are. The study also shows that the health of managers is itself affected by the reactions of employees to the leadership exercised within the organisation, generating potentially virtuous or harmful sequences. It also shows that health is also dependent on factors that derive indirectly from management methods, such as the atmosphere in the workplace, how employees assess the meaning of their work or the health promotion policy within the organisation.

¹⁰⁸ *Landsorganisationen i Sverige* (LO) is Sweden's leading trade union confederation.

¹⁰⁹ By reference to Bass's theories of the mid-1980s (*Full Range Leadership Model - FRLM*): transformational leadership encompasses four types of management practices: idealised influence, inspirational motivation, intellectual stimulation and individual consideration.

¹¹⁰ The study does not link this leadership style to a particular theory, but to several factors that determine the psychological environment at work, such as the search for equality, consideration for people and the support from managers and other employees.

It concludes that it is necessary to avoid any imposing of ready-made solutions on situations that differ greatly, and advocates the principle of adapting to each context. Nevertheless, it identifies factors common to good management: exemplarity, attention paid to employee motivation and creativity, encouraging skills development, availability, trust. The study notes that empowering employees, by giving them room for autonomy, is at once necessary yet potentially destabilising for employees and requires on-going dialogue between managers and team members.

Management practices at Hantverket restaurant in Stockholm

The Hantverket restaurant was founded in 2016 by chef Stefan Ekengren, who is also a Swedish celebrity chef. It is in the middle-to-upper range of restaurants, and employs some forty people.

Mr. Ekengren is extremely attentive to the management practices in his establishment, in a sector renowned for very rigid hierarchical relations. Together with his four-person management team, he therefore set up a “flat” organisation with everyone being empowered. He rejects the traditional hierarchical approach in the kitchen and imposes an absolute ban of any brutality in human relations.

He says that this management style was inspired by the leadership debate that went through Sweden in the 1990s, due to the significant staff shortages on the labour market. His approach is pragmatic and his management practices are aimed at giving the restaurant a strong position in the competition between employers to recruit talented employees. It involves reflecting on career paths, necessarily restricted by the size of the establishment. It gives women a very wide role in the restaurant’s kitchens and promotes worker loyalty.

2.3 In companies, the high level of consensus does not mean that the Swedish model cannot be questioned in the context of the globalisation of the economy

Most of the mission's interviewees described the Swedish management model as consensual. **While the model itself is not a subject of debate, it can be perceived as being under threat by economic developments, in particular globalisation and the arrival in Sweden of foreign companies that do not share this culture.**

The conflict between the main employee union, LO, and the American car manufacturer Tesla¹¹¹ was described by many of the actors interviewed as an emblematic and decisive long-standing fight to defend the Swedish social model.

In the digital field, the management practices of an SME such as Betao, which the mission¹¹² interviewed, are not consistent with the principle of mediating working relationships and adhering to collective agreements. Employee participation is organised through direct employee consultation mechanisms (quarterly 40-question surveys, including feedback on the organisation, processes, etc.; weekly feedback on employee perception based on an open question) and not by staff representative bodies. The company does not adhere to the collective bargaining agreement, but states that it respects 95% of the content of the agreement. Employees can therefore choose to opt out of the pension scheme and instead get the equivalent in direct wages.

The occupational health management system at truck manufacturer Scania

Founded in 1891, Scania is a manufacturer specialising in road haulage and operates in some 100 countries. The company employs 57,000 people and has 1,500 service points. Its main factories are located in Sweden, Brazil, China, the Netherlands and France, where the Angers production line employs 1,400 people to assemble trucks and buses.

The management system is partially based on Toyotism principles. A code of conduct, which binds the company to all its stakeholders, sets down the guidelines to be applied by the production units and from which procedures and standards are derived.

¹¹¹ Tesla's Swedish site refuses to join the car collective bargaining agreement.

¹¹² Betao is a commercial company employing some forty people, created by a French entrepreneur and which provides remote support to French freelancers with their administrative formalities. It hires a large number of French nationals based in Stockholm, and is partly financed through the personal training account of the freelancers who apply for its services.



When it comes to occupational health, these principles are largely inspired by ISO 45001, but Scania has not yet been officially certified ISO 45001. The subjects identified by the occupational health services relate very broadly to occupational accidents and ergonomic risks, with psychological health problems being gradually taken into account.

While the Occupational Health Service is highly developed and extensive in the company's Swedish operations, this is not always the case in the other countries in which the group operates. Labour legislation varies greatly from country to country. A multidisciplinary occupational health team, with a group-wide remit, is being set up to act to provide advisory services to all entities, regardless of the country in which they are located.

3 Social dialogue stakeholders are the vector for disseminating management practices

3.1 Agreements and social dialogue are very important and influenced by such issues as attracting talent and supporting transitions

Sweden's situation with regard to social dialogue is well anchored and there are many differences compared to the French situation. Trade union membership and collective agreement coverage levels are very high: around 70% of employees belong to a trade union, while 90% are covered by a collective agreement.

Support for the ecological and demographic "twin transitions" is very much on the agenda of social partners. Two national agreements on career transitions were adopted in 2022 July to facilitate vocational retraining and upskilling induced by the macroeconomic challenges arising out of an ageing population and the climate crisis. For their part, the public authorities have adopted legislative provisions that provide public funding to finance these training periods on a large scale. SACO describes management conditions as absolutely key to a successful green transition, involving the reindustrialisation of the north of the country. In order to attract executives, Northvolt considers remote working and childcare conditions as being essential for the company's development. Northvolt itself has been to the forefront in the national collective bargaining agreement negotiations¹¹³.

Interviewees say the trade unions are willing to support these major transitions and this is confirmed by the unions themselves. They believe it is legitimate that businesses transform to adjust to the changing landscape, and even call for such transformations when they believe that corporate leadership teams are not driving these changes fast enough.

Finally, the importance of having attractive jobs on offer can be seen in the strong competition between public organisations and private companies to hire and retain talent. Thus, the Arbetsförmedlingen (labour market intermediation agency, equivalent to France Travail) is firmly positioned in this perspective when it makes great efforts in terms of gender equality.

3.2 Managers' organisations offer services to their members but also support for professional practice

The SACO and Lenarda trade unions are specifically dedicated to defending and supporting white-collar staff, both in their capacity as employees and managers.

SACO is Sweden's leading white-collar trade union confederation and the country's third largest employee organisation. It has one million members and 21 member trade unions. It is aimed at higher education graduates,

¹¹³ Northvolt was launched in 2016 with the ambition of building green batteries to support Europe's energy transition. After raising the capital, the company set up several factories in Sweden, Norway, Poland, Germany and Canada. It has close partnerships with the leading Swedish vehicle manufacturers (Volvo, Scania) and currently has 5,500 employees. The largest gigafactory is located in Skellefteå in northern Sweden.



whether they have a salaried job or are self-employed. The organisation's vision is that it is important for the economy to have skills, and that these skills must be duly rewarded.

Lenarda is a professional association dedicated exclusively to managers. It has 100,000 members, 40% of whom are women, 19 member trade unions, 80 collective agreements and 1,130 shop stewards in public and private organisations. **Paid-up members of Lenarda have access to a range of services. These are firstly the normal trade union services which focus on the manager's situation as an employee, but also professional advice services relating to the manager's role as a team leader.** The association's vision is to impose a new image of the manager, less stereotyped, in order to promote careers for women, young people and immigrants. The association is particularly attentive to middle managers in the public sector, whose work is described as particularly difficult, in particular due to budgetary constraints.

3.3 The law and regulations have a residual role despite the progress ushered in by the AFS 2015:4 provision, relating to the organisational and social working environment

The Swedish social model is primarily based on collective bargaining, and there is a broad consensus on this. There are few laws regarding occupational health and safety, and they outline general principles in a relatively succinct manner¹¹⁴.

However, questions relating to psychosocial issues have long been perceived as insufficiently taken into account by social actors, in particular employers, in the context of a sharp increase in the number of sick leaves. This prompted the Swedish Working Environment Authority (*Arbetsmiljöverket*) to adopt the 2015:4 provision on the organisational and social working environment (AFS 2015:4 provision).

The *Arbetsmiljöverket* is an independent public authority, placed between the Swedish government and the Swedish Parliament¹¹⁵, which has the function of inspecting work in the public and private spheres, including the military and students. The agency conducts 23,000 annual inspections, 70% at its own initiative and 30% at the request of staff representatives. It also has the task of adopting regulations intended to be applied by all organisations, by virtue of the general law on the working environment. The AFS 2015:4 provision, adopted in this context, therefore has a regulatory scope.

The AFS 2015:4 provision is based on the need to take into account the importance of organisational and social factors in occupational risks (ability to express difficulties and ask for help, internal atmosphere, knowledge of risks, etc.). As in France, employers are responsible for the health and safety of employees. **At the procedural level, employers, both public and private, are required to adopt a systemic work environment management system:** an obligation to establish a document setting out their policy on the work environment, stating the objectives to be achieved, but also an obligation to ensure the employer has the necessary skills in this area, and an obligation to set up a reporting and correction monitoring system that is regularly reviewed.

In essence, employers must prevent excessive workloads, ensure that managers and employees have the knowledge required to prevent and correct any such workloads that could be prejudicial to staff health (by balancing resources with work demands). They must also provide training for employee representatives concerned with occupational health and safety. As ambiguities are a stress factor at work, employers must ensure that employees know the content of their tasks and the results expected, the priorities assigned to them among those tasks, and know who to turn to if they experience difficulties. They must also explain the room for autonomy left to employees in performing their duties.

In addition, the AFS 2015:4 provision sets down principles for preventing and sanctioning aggressive or harassing behaviour ("victimisation"): employers are required to clearly indicate that these behaviours will not be tolerated

¹¹⁴ Swedish Work Environment Act (1977:1160), Swedish Working Hours Act (1982:673).

¹¹⁵ Its principle of action is: "No work should lead to sickness, injury or death". It employs 680 agents spread across all 5 regions. Its remit takes in national employee and employer representatives.



and put in place procedures to handle these cases (information, treatment and responses provided to persons who are victims of aggressive or harassing behaviour).

The *Arbetsmiljöverket* has published a practical guide to implementing the AFS 2015:4 provision¹¹⁶, in which for example it sets out **the signs to watch for that should lead the employer to take action to improve the working environment**: sick leave, sickness presence, high turnover among senior management, accidents, incidents and deviations, overtime work, taking work home, working during breaks, holidays or evenings and weekends, poor quality work or missed delivery deadlines, high work intensity/work pace, signs that employees do not have enough time or are unable to finish their work, interpersonal conflicts and cooperation problems, lack of motivation, depression, irritability, pain, sleeping problems, fatigue, difficulties concentrating, problems taking initiatives, etc. These signs must be included in the risk assessment and controlled as part of follow-up on corrective measures.

These obligations are primarily procedural (employers must prove that they have a prevention policy and that they carry out regular assessments). Thus, the content of management practices is not checked as such, but the labour inspectors check that leadership is an integral part of the company's objectives. **These elements make it possible to engage with the work administration and discuss the content in question** with the aim of progressing with the support of the high level of consensus in the Swedish social dialogue model.

More than five years have passed since the AFS 2015:4 provision came into force. Implementation of the provision has now been integrated into the government's working environment strategy 2021-2025 (see below). The mission's interviewees described the AFS 2015:4 provision as the keystone in the Swedish system since it made it possible to shift from individualised treatment of psychosocial issues to a collective approach.

It is interesting to note that the Swedish Work Environment Authority monitors implementation of these obligations in both the private and public sectors where these obligations are identical. This does not mean inspectors do not have their own sectoral specialisation and knowledge of the professions inspected, as well as websites featuring risk prevention tools. **In parallel to the controls carried out, the Authority places its expertise at the disposal of employers and employees forming a continuum between ensuring compliance with the law and promoting best practices.** In the field of management, the *Arbetsmiljöverket* published a study, based on a review of the literature, on the principles of management favourable to the health and well-being of employees¹¹⁷. Based on 33 scientific, quantitative and qualitative studies relating to working relations in the Nordic countries, the study shows that there is a proven link between management practices (leadership) and the health of employees, after neutralising other determinants.

3.4 The labour inspectorate's action favours the search for "sustainable working"

The Government's work environment strategy 2021-2025¹¹⁸ focuses on several priorities forming a continuum around the goal of "sustainable working". The strategy is based on the vision of a job that should provide safety, development opportunities and good health for workers, both women and men. It is very clearly in line with the perspective of ongoing demographic, ecological and digital changes.

According to the strategy, a sustainable working life means:

- Everyone is to be able to, have the capacity to and want to work a full working life;
- That the skills of employees are adapted to changes;
- That the government supports research for greater work sustainability.

¹¹⁶ *The organisational and social work environment – key pieces of the puzzle in shaping a good work environment.*

¹¹⁷ *Arbetsmiljöverket, Leadership for health and well-being - a systematic review, report 2020:5.*

¹¹⁸ *Government communication 2020/21:92, A good work environment for the future – the Government's work environment strategy 2021–2025, 11 February 2021.*

The chapter of the strategy concerning occupational health therefore integrates, beyond the prevention of risks of occupational accidents and illnesses (with a specific targeting, as in France, on fatal accidents) and the reduction of exposures to hazardous substances, **management dimensions** such as the balance between the demands and the resources available to workers, the power, the influence of workers on the content of their work, the support of the work community and management, the prevention of abusive or harassing behaviour, taking the cognitive work environment into account (resulting from ambient noise, the ability to take ownership of technologies, etc.). The gender equality logic is very present, and involves looking at all measurements through this prism. In addition, a chapter is dedicated to the prevention of threatening and violent behaviour at work, whether from the employer, employees or any other origin (users and customers, business partners, etc.). Having a favourable working environment is presented as the corollary of good working conditions, and as a factor of profitability for companies as well as well-being for employees. The organisational and social factors of the work environment are considered a major cause of absenteeism due to sickness. The strategy provides guidelines for analysing and understanding the challenges faced by managers and employees in the face of the hybrid work challenge.

¹¹⁹The strategy is supported from an operational point of view by the labour inspectorate monitoring implementation of the legislation, 5 years after the adoption of the 2015:4 provision (see above), while being supported by social dialogue in companies and branches, and by cooperation with other monitoring bodies (taxation, environmental legislation, etc.) and in particular with the Swedish social insurance agency. Since legislative infringements frequently cut across several domains, the plan encourages information sharing across the relevant agencies. Two action plans, one for the Swedish Working Environment Authority (business and government supervisory authority) and the other for the Swedish Agency for Work Environment Expertise, are linked, and are the subject of consultation within a forum involving national social partners, and interim and final reports to Parliament associated with the allocated budget.

The Swedish Work Environment Authority pays special attention to the situation of managers, given that they are particularly exposed to conflicting requests from senior management and the employees placed under their authority. **A specific inspection control programme was conducted in 2021** following the adoption of the government strategy, to examine the working conditions of managers in the social and hospital field. The inspectors had to ensure that the psychosocial risks incurred by these manager-employees were well integrated into the occupational risk assessments, and check that the corrective measures had indeed been implemented by carrying out a new inspection 6 months after the first.

¹¹⁹ *Försäkringskassan* (Swedish Social Insurance Agency).



ANNEXE 6 : STANDARDS AND HUMAN RESOURCES MANAGEMENT

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The mission is part of an international comparison of management practices and their impact in the light of social policies.

In such a context, it may be useful to analyse tools that have been designed, developed and implemented and are immediately available and applicable to an international dimension.

This Appendix sets out ISO standards some of which are exclusively, and others partially, concerned with the field of human resources management and its links with management practices as such.

1 The International Organization for Standardization's (ISO) involvement in human resources management is recent

1.1 ISO standards: historical achievements and undisputed legitimacy for companies internationally, in the technical fields of R&D, production and management techniques

ISO¹²⁰ standards have been known and used in companies for a very long time. They form an internationally recognised and validated set of standards adopted on a voluntary basis.

ISO's standards were established and implemented to support companies in standardising their practices in terms of development, manufacturing, product marketing, management and service provision, initially in the industrial sector.

Almost 80 years after the creation of ISO, almost 26,000 standards have been put in place in these areas to govern production processes, the use of specific technologies or refine management tools. They have enabled internationally recognised levels of compliance to be established in terms of quality, efficiency and safety, in those areas and activities to which each standard corresponds.

Quality management, environmental management, information security management and risk management standards have been published, which enable companies to obtain certification in different areas of compliance, depending on their activities.

The areas of activity covered by these standards are very wide-ranging¹²¹ and the contribution of standardisation varies greatly from one standard to another.

These standards have been a factor that has contributed to the development of companies' activities internationally by strengthening their capital of trust and competitiveness. They are useful, and in some cases indispensable, in bringing a product to market for any organisation whose goal is to advance qualitatively and quantitatively on international markets.

They have a clear competitive edge over competitors who are not certified. Indeed, ISO standard certification is recognised internationally. Standards are periodically reviewed, generally every 5 years, and audited in order to ensure compliance with technological developments and regulations. This helps to improve the quality perception of the company by its customers, shareholders, investors or partners.

¹²⁰ ISO: the International Organization for Standardization, created in 1947 at the initiative of 25 founding countries wishing to bring pre-existing organisations together under one umbrella. Its aim was to regulate and set standards, initially for the production of manufactured goods. It has the status of a non-governmental organisation and is present in more than 170 countries; its central secretariat is located in Geneva. <https://www.iso.org/home.html>

¹²¹ By way of example, among the most popular are ISO standards for: Quality Management (9000 series), Environmental Management (14000 series), Energy Management (50000 series), Information Security (27000 series), Food Safety (22000 series), Risk Management (31000 series).

These standards have also enabled the processes concerned to be optimised, providing validated data and histories that improve the quality of decision-making through verifiable information.

The standards have also helped ensure better compliance with the regulations that govern the organisations' sector, but also with the demands of their customers. Organisations can therefore demonstrate that they comply with regulations or specifications in a documented and reliable manner.

The development of ISO standards is part of a participatory management and validation framework that is highly formalised, with a view to reaching a broad consensus. The aim is to obtain a balanced representation of the various interests which would facilitate the acceptance and application of standards on an international level. Technical committees, composed of international experts in the field concerned, are set up on the basis of proposals¹²² submitted by the various stakeholders on a given theme. These proposals are then assessed and validated.

These committees have the job of developing draft standards based on practices and knowledge available globally. The draft standards are then opened up to public consultation to gather the opinion of the relevant stakeholders. The comments made on this occasion are taken into account in the final version of the standard.

The different stages in establishing a standard¹²³

The Committee Draft (CD)

The CD is submitted to the vote of the Technical Committee (TC) for a period of 2-4 months. If necessary, the project can be submitted for investigation. If this is the case, it is the national bodies (AFNOR for France) that carry out an in-depth study of the draft standard. Once all the difficulties have been resolved, the amended project moves on to the next stage.

The Draft International Standard (DIS)

The ISO secretariat distributes the project to national bodies in a 5-month voting process. The DIS must collect at least 2/3 of the votes in favour and no more than 25% of the votes against in order to be passed on to the final stage.

Final Draft International Standard (FDIS)

The ISO secretariat distributes the project to national bodies in a 2-month voting process for adoption under the same rules as for the DIS.

1.2 ISO 26000 and 45001 address human resource management issues from two different but complementary angles

Historically (see above), standardisation mainly concerned manufactured goods. Since the early 2000s, it has gradually invested other areas such as services, but is now also involved in societal and environmental issues.

¹²² Governments, companies, non-governmental organisations, consumers, etc.

¹²³ Drawn from: "Les normes internationales pour accompagner la transformation des RH" / AFNOR/L.Breton-Kueny and F.Bensalem

The standardisation system traditionally mobilises human resources management in particular to implement technical standards more effectively by being supported by appropriate management practices.

With the 26000¹²⁴ and 45001¹²⁵ standards published in 2010 and 2018 respectively, ISO clearly positions human resources ("human capital") at the heart of the cross-functional challenges facing organisations.

1.2.1 ISO 26000 gives human resources management a significant role, which deserves to be strengthened, in the social responsibility of organisations

¹²⁶The ISO 26000 standard, "Guidance on Social Responsibility", was published in 2010 following a participatory process that was unprecedented in the ISO framework. In order to consolidate their approach in an area that was both poorly known and socially sensitive, ISO bodies in principle relied on existing international labour standards as well as those on human rights.

For these topics, which had never been included in its work programme, ISO signed memoranda of understanding with the International Labour Organisation (ILO), the UN Global Compact Office (UNGCO) and the Organisation for Economic Cooperation and Development (OECD). Through this approach, ISO indirectly creates a "bridge" between companies and standards frameworks that are less common for these enterprises: the "baseline" standards produced by international organisations.

ISO 26000 does not establish a management framework or set down technical requirements; it is not intended to lead to certification:¹²⁷ it is a voluntary and optional framework.

This standard provides **guidance** on the principles of social responsibility, and on the ways and means to make them operational within organisations.

Results are expected from the application of this standard in an organisation:

- Associating human resources and social responsibility promotes economic efficiency and innovation in the organisational, financial and societal areas;
- associating human resources and social responsibility helps ensure that the values of justice, equal opportunities, respect and the right to good working conditions are disseminated and applied in organisations.

The standard provides guidance on how to integrate responsible behaviour into the organisation, an essential component in human resources management. Finally, it focuses on promoting result assessments and performance improvements that have been achieved in terms of social responsibility.

¹²⁴ Guidance on Social Responsibility (2010)

¹²⁵ Occupational health and safety management systems — Requirements with guidance for use (2018)

¹²⁶ Trade unions have been involved in the technical committee for the development of the standard, which is in itself an innovation among ISO processes

¹²⁷ However, it may be subject to certain accreditation processes that enable companies to demonstrate their commitments in terms of CSR through a label or rating system

The standard lists **seven**¹²⁸ "**core subjects**" (all of which strongly interact with human resources management), in which an organisation's social responsibility must be able to be applied, one of which in particular is the subject of **labour**¹²⁹ **practices**, which comprises **five issues**.

This subject of "labour practices", which is one of the main frameworks relevant to management practices, is considered to be at the core of an organisation's social responsibility: "*Meaningful and productive work is an essential element in human development*" (6.4.1.2 Labour practices and social responsibility).

The issue concerning "Human development and training in the workplace" suggests areas of work that will enable organisations to implement appropriate management practices: "*Organizations can use workplace policy and initiatives to further human development by addressing important social concerns, such as fighting discrimination, balancing family responsibilities, promoting health and well-being and improving the diversity of their workforces. They can also use workplace policy and initiatives to increase the capacity and employability of individuals. Employability refers to the experiences, competencies and qualifications that increase an individual's capacity to secure and retain decent work*". (6.4.7 Labour practices issue 5: Human development and training in the workplace).

ISO 26000 also positions human rights as a key factor in organisations' engagement with their employees and suppliers in the field of human resources and social responsibility.

It thus recalls the convergence between standards from the international community and those from the ISO community: "*Fundamental principles and rights at work are focused on labour issues. They have been adopted by the international community as basic human rights and as such are covered in the human rights section*". (6.3.10 Human rights issue 8: Fundamental principles and rights at work)

By way of illustration, the following examples of recommendations set out in the ISO 26000 standard will necessarily lead organisations that commit to this approach to opt for management practices that will contribute to compliance with these goals. In addition to these commitments, there are also changes in the expectations and practices of investors and stakeholders. The latter exert an increasingly visible influence on organisations, thereby contributing to the fulfilment of these commitments. In this case, the standard is endowed with a certain force that can lead to effects that go beyond state or multilateral standards.

Thus, the standard states that "*An organization should take care to ensure that it does not discriminate against employees, partners, customers, stakeholders, members and anyone else with whom it has any contact or on whom it can have an impact*". (6.3.7 Human rights issue 5: Discrimination and vulnerable groups)

It then adds: "*An organization should examine its own operations and the operations of other parties within its sphere of influence to determine whether direct or indirect discrimination is present. It should also ensure that it is not contributing to discriminatory practices through the relationships connected to its activities*".

In this sense, the ISO 26000 standard broadly prefigures the approach of the standard 45 001 (see below) on the subject of occupational health and safety: "*Health and safety at work concerns the promotion and maintenance of the highest degree of physical, mental and social well-being of workers and prevention of harm to health caused by working conditions [...] [and] the adaptation of the occupational environment to the physiological and psychological needs of workers*".

It lists a series of management principles in which worker health and safety must be seen as a factor in the organisation's performance: "*Strong safety and health standards and organizational performance are mutually supportive and reinforcing*."

To this end, the standard sets out the technical provisions that make it possible to deal with risks from physical protection to risk analysis and control, but also the provisions that concern management practices such as taking

¹²⁸ **ISO 26000 core subjects**: Organisational governance, human rights, **labour practices**, the environment, fair operating practices, consumer issues, community involvement and development

¹²⁹ **Labour practices issues**: Employment and employment relationships; Conditions of work and social protection; Social dialogue; Health and safety at work; Human development and training in the workplace

into account the specificities of workers (men/women, young people, disabled), training and also psychosocial risks: "An organisation should [...] strive to eliminate psychosocial hazards in the workplace, which contribute or lead to stress and illness." (6.4.6 Labour practices issue 4: Health and safety at work)

Within organisations that decide to consider implementing ISO 26000, it is human resources personnel who will be responsible for implementing this standard, both through the manner in which they interpret the standard, and through the management practices they put in place to ensure that their goals are achieved.

In a study by France Stratégie¹³⁰, however, it appeared in 2016 that CSR was more commonly implemented in the larger companies and in certain sectors of activity. More than 60% of companies with more than 9 employees said they were not aware of the CSR concept.

CSR is significantly correlated with the economic performance of companies: there is a difference in economic performance of around 13% on average between companies that implement CSR practices and those that do not. These average performance differences vary greatly depending on the field in which they are measured: from 5% for the customer relationship to 20% for the "human resources" dimension.

With a view to a better dissemination of CSR, the study considers that a mixed approach combining regulatory obligations and the establishment of voluntary implementation standards would be appropriate. It describes companies that adopt this approach as incentivised by the regulations.

In a study carried out by Ecovadis for the Corporate Ombudsman¹³¹, it appears that France (of which almost 30% of companies are now committed to a CSR approach) is well positioned in relation to the average of OECD countries and in relation to the BRICS countries, posting the 4th best performance worldwide in terms of the CSR management level.

On the social and human rights theme, France ranks 2nd, after Finland and ahead of Norway.

1.2.2 The ISO 45001 standard focuses on occupational health and safety management systems, from a technical and HR point of view

The ISO 45001 standard, published in 2018¹³² and updated in 2023, was the world's first international standard covering occupational health and safety.

It establishes **management criteria for requirements and guidelines** for an occupational health and safety management system, aimed at preventing accidents, improving working conditions and promoting the health of employees.

As regards France, however, a strong initial opposition enabled stakeholders to take an active part in drafting this standard.

The challenge of this standard, for France, was the following: while it can be admitted that occupational health can play an increasingly important role in standardisation work insofar as it must take into account technical areas that are historically standardised, standardisation is not intended to deal with matters relating to law or social dialogue.

In essence, the way standards are produced poses difficulties: every stakeholder, regardless of size or representativeness, can be present and participate with an equivalent voice in the discussion on the content of the standard. In addition, the idea of a consensus does not fit as well with the social content of the standards as with the technical content.

¹³⁰ "Responsabilité sociale des entreprises et compétitivité. Évaluation et approche stratégique", Etudes, January 2016

¹³¹ "Comparatif de la performance RSE des entreprises françaises avec celle des pays de l'OCDE et des BRICS", 2022 (4th edition)

¹³² The work had begun in 2013 following a British proposal



This initial opposition nevertheless led the public authorities and social partners to participate in the drafting of this new standard, through a so-called "mirror"¹³³ group with the ambition of influencing the final content.

AFNOR's position in the French standardisation system

The Decree No. 2009-697 of 16 June 2009 establishes the regulatory framework by setting out the essential principles of the standardisation policy and the role of the various stakeholders.

Article 1 states that "*standardisation is an activity of public interest whose purpose is to provide reference documents prepared in a consensual manner by all interested parties, concerning rules, characteristics, recommendations or examples of good practice, relating to products, services, methods, processes or organisations. It aims to encourage economic development, innovation and sustainable development*".

The French standardisation system is organised around AFNOR (Association Française de NORmalisation).

The Decree 2021-1473 of 10 November 2021 confirmed AFNOR's role in guiding and coordinating French standardisation, and in its mandate to represent French interests at European and international level.

It carries out public service missions by State delegation, to schedule standardisation work, organise public surveys on draft standards, approve and publish standards.

French standards are drawn up by accredited sectoral standards firms by delegation from Afnor and under its coordination.

An audit and evaluation committee (AEC), placed with Afnor, is responsible for evaluating this work as well as the standardisation firms, in order to ensure that all parties interested in the standardisation work (associations, trade unions, SMEs) are indeed involved in the processes.

AFNOR is also a member of the European (CEN, CENELE) and international (ISO, IEC) standardisation associations, which is very important since 90% of the new standards published in France are now of European or international origin and each country has the capacity, depending on its economic priorities in particular, to support and defend them in these bodies.

Ultimately, ISO 45001 has been widely used by companies as it provides a framework for managing risks related to the safety and health of individuals within companies, but also risks related to operational processes and the use of machines.

Ranking of countries with at least one ISO 45001 certification

Every year since 2019, ISO has published a survey of the number of current certificates for ISO management system standards worldwide. The last year available is 2022.

ISO 45001 (published in 2018 and revised in 2023) falls within the scope of this study.

¹³³ Brings together professional organisations, trade unions, the AT/MP branch, the DGT, companies, certification bodies, academics, etc. This group is responsible for defining the French position



Occupational health and safety management ranks third among all ISO standardised management systems.

China has been the country with the highest number of ISO 45001 certifications since this standard was first drafted: in 2019: 10,213; in 2022: 266,898, i.e. 26 times more (out of a total of 397,339 certifications worldwide, i.e. 67% compared to 25.5% in 2019).

In the mission's survey countries (France, Italy, Germany, Ireland, Sweden), we can note:

For France: ISO 45,001 certifications: in 2019: 524 (13th position); in 2022: 2,280 (16th position)

For Italy: ISO 45,001 certifications: in 2019: 3,382 (2nd position); in 2022: 15,255 (2nd position)

In Italy, the INAIL (the National Institute of Insurance against Work Accidents and occupational diseases) has developed with the social partners the OH&S frameworks and the SGLS documents (guidance documents for the design, implementation and application of OH&S management systems). The SGLS documents are not intended to lead to certification, so if a company wishes to have its management system certified, it must refer to the ISO 45001 standard, which is therefore linked to the common law system.

For Germany: ISO 45,001 certifications: in 2019: 883 (5th position); in 2022: 3,092 (10th position)

For Ireland: ISO 45,001 certifications: in 2019: 382 (23rd position); in 2022: 999 (38th position)

For Sweden: ISO 45,001 certifications: in 2019: 207 (42nd position); in 2022: 570 (46th position)

It is intended to create a safe and healthy working environment, in compliance with legal obligations. It includes not only the physical health of employees, but also their mental well-being.

As the ISO 26,000 standard did before it, the ISO 45 001 standard positions its action framework in a sustainable development logic and calls for a management commitment to achieve the goals set.

Thus, the implementation of an OH&S management system is a strategic and operational decision for an organization. **"The success of the OH&S management system depends on leadership, commitment and participation from all levels and functions** of the organization"¹³⁴.

Among the eleven "key success factors" for achieving the expected outcomes when applying the standard, five can be considered as requiring appropriate management practices to ensure the proper implementation of the provisions of the standard.

- Top management leadership, commitment, responsibilities and accountability;
- top management developing, leading and promoting a culture in the organization that supports the intended outcomes of the OH&S management system;
- communication;
- consultation and participation of workers, and, where they exist, workers' representatives;
- integration of the OH&S management system into the organization's business processes.

Thus, for the "leadership" component of the key success factors, the standard specifies that: *"Leadership and commitment from the organization's top management, including awareness, responsiveness, active support and feedback, are critical for the success of the OH&S Management System and achievement of its intended outcomes; therefore, top management has specific responsibilities for which they need to be personally involved or which they need to direct"*.

The standard is therefore clearly positioned at the intersection of the technical field, which is a major part of its intervention, particularly from a prevention/protection perspective, and the managerial field, which is the essential factor for the successful completion of the standardised OH&S system.

¹³⁴ In Success Factors for the 45001 standard



"A culture that supports an organisation's OH&S management system is largely determined by top management and is **the product of individual and group values, attitudes, managerial practices, perceptions, competencies and patterns of activities that determine the commitment to, and the style and proficiency of, its OH&S management system**. It is characterised by, but not limited to, **active participation of workers, cooperation and communications founded on mutual trust, shared perceptions of the importance of the OH&S management system** by active involvement in detection of OH&S opportunities, and confidence in the effectiveness of preventive and protection measures". (A.5.1 Leadership and commitment)

2 ISO standards applied specifically to the field of human resources management: a tool for HR transformation that is still being discussed and is not widely disseminated

2.1 The emergence of a standardisation process specific to human resources management

"HR standards are designed to optimize workforce management and development. Covering areas such as recruitment, performance management, and employee well-being, they help organizations attract and retain talent while fostering a positive and productive work environment."¹³⁵

The way this approach is expressed shows the ambition of the stakeholders who, within ISO, intended to develop a corpus of voluntary application standards¹³⁶, coming within *soft law* principles, and specifically concerning human resources management.

The adoption of the standards from ISO/TC260 is therefore a voluntary initiative by the organisations using them and does not necessarily lead to a certification process. Moreover, most of these standards are in the format of guidelines¹³⁷ rather than standards in the strict sense of the term.

Human resources management is still relatively new to standardisation. For many, it is not a very relevant part of HR management. It is, in fact, still under-used and the number of participating countries and observers, after strong growth in the years following the launch of ISO TC/260, has been on the whole stable in recent years.

In the ISO governance and standards development system, a new standardisation area is established through the creation of an *ad hoc* technical committee (TC).

In this case, for human resources management, the project was submitted by ANSI¹³⁸ (an ISO member committee in the United States¹³⁹) at the request of the SHRM¹⁴⁰. In 2011, the TC/260¹⁴¹ committee was set up to produce these standards and support organisations in this area.

These standards do not have the goal or effect of reducing or eliminating existing statutory obligations. They seek to be a voluntary standardisation tool available to organisations and companies seeking to improve their practices

¹³⁵ Home screen: [ISO - Human Resources Management](#)

¹³⁶ A voluntary standard is a reference document approved by a standardisation institute. It defines voluntary characteristics and rules applicable to activities that reflect stakeholder consensus in a given area. The aim is to harmonise practices and help achieve quality, safety and sustainability objectives. When referenced in a contract, the standard is binding on the parties. National or international regulations may make implementation of all or part of a standard mandatory.

¹³⁷ An international standard providing guidelines does not feature requirements but can provide recommendations. (ISO)

¹³⁸ *American National Standards Institute*

¹³⁹ The French counterpart is AFNOR (Association Française de Normalisation)

¹⁴⁰ Society for Human Resource Management: an American association of human resources management professionals founded in 1948 with nearly 300,000 members in nearly 170 countries.

¹⁴¹ Currently comprising 39 "participating" countries (representing more than 80% of global GDP) and 25 "observing" countries. As for the countries in the scope of the mission, France, Germany and Italy are participating members through their standardisation bodies, Ireland is an observer and Sweden is not participating in the work of this committee



on a transparent basis. But they are just one tool among other sometimes more effective or binding tools (legal standards, financial incentives, etc.).

These standards also contribute to the UN's Sustainable¹⁴² Development Goals.

General goals of the ISO/TC 260¹⁴³

- Create standards **that recognize the needs of organizations** throughout the world, remaining sensitive to their applicability given business scope, size, complexity, maturity, or culture.
- Develop a **common terminology of HRM terms and definitions** to establish consistency of functions and processes and to enable international comparison.
- Provide clear guidance to organizations to **improve HRM practice and increase confidence that HRM practice is consistent, transparent, and fair.**
- Provide clear guidance on **workforce metrics** to support evidence-based people management practices and sustainable organizational performance.
- Ensure that the guidance and indicative practices in the published standards are consistent with **UN Sustainable Development Goals (SDGs).**

The main objectives and priorities of HRM standards ultimately aim to develop the performance of organisations by providing guidelines and improving internal processes. They also claim an improvement in the performance of the companies themselves¹⁴⁴.

These objectives reflect the fact that organisations are committed to addressing the challenges posed by the major changes that require adaptations or transformations, specifically around human resources. These are the key issues that will have an impact on work and its organisation in the coming years. By way of example, it involves taking into account, by incorporating:

- Environmental, Social and Governance (ESG) factors as a fundamental value;
- the climate emergency;
- the elements of change induced by technological developments, particularly in the digital world.

These objectives are broken down into operational results (measured by indicators) expected from the standards themselves, by the practices they induce.

These standards and the standardisation of management practices in the form of guidelines are intended to improve efficiency, for example, in terms of recruitment, retention, development, engagement and deployment of employees.

Among the main expected outcomes of the application of the standards from ISO/TC260 is to contribute to sustainable performance, value creation as well as the satisfaction and engagement of a workforce employed in a decent working environment, which also is a result of the effects of management practices.

¹⁴² Specifically: SDG 3 Good health and well-being; SDG 4 Quality education; SDG 5 Gender equality;

SDG 8 Decent work and economic growth; SDG 9 Industry, innovation and infrastructure; SDG 10 Reduced inequalities

¹⁴³ Drawn from: STRATEGIC BUSINESS PLAN / ISO/TC 260 Human Resource Management /July 2023 (5th edition)

¹⁴⁴ The impact of ISO 45 001 on companies' performance: An empirical analysis, April 2024 Corporate Social Responsibility and Environmental Management, April 2024



2.2 Standards whose themes cover technical areas of HR management but also sensitive subjects, coming under management practices and which struggle to be accepted by the companies interviewed by the mission

ISO/TC 260 uses the “ISO 30 400” series of standards to support international human resources management standards. This series currently includes 25 HR standards, which are being updated. In this area of HR, given the many specificities, these standards are not intended to serve as a certification process.

These standards can be schematically grouped into two large sets covering either technical topics, concerning terminology and indicators relating to the measurement of HR-related activities (16 standards), or topics involving management practices and their effects (9 standards presented).

The summary presentation below of the 9 standards, which primarily concern management practices, offers a view of the priorities which the ISO system intended to address in this area.

Table1: ISO 30 400 standards that concern management

Standards	Title	Goals
ISO 30401	Knowledge Management Systems	Aim for improved learning and effectiveness through optimisation of the use of knowledge, in order to create value for the organization by knowledge management that supports existing processes and participates in development strategies.
ISO 30405	Guidelines on recruitment	This standard, in the form of guidelines, focuses on ensuring quality recruitment the impact of which is essential to achieving economic performance. It contains recommendations on how to attract, source, assess and employ potential employees in line with the needs of the organisation
ISO 30406	Sustainable employability management for organizations	The issues covered by this standard, stated in the form of guidelines, are how the organisation addresses the issue of a better balance between the demands of the job and the well-being aspirations of the workforce.
ISO 30408	Guidelines on human governance	Provide organisations with guidelines to structure a human governance system and align it to the needs of the organization. Human governance issues are placed on the same level as the governance of the organization's capital or physical assets
ISO 30409	Workforce planning	Address a request for advice and support from organisations in terms of workforce planning in order to better adapt to needs
ISO 30414	Guidelines for internal and external human capital reporting	The objective is to consider and to make transparent the human capital contribution to the organization in order to support sustainability of the workforce

ISO 30415	Diversity & inclusion	<p>Support organizations to embed D&I by providing guidance and methods</p> <p>Establish principles, roles and responsibilities, actions, policies, processes, practices and measures to foster and support true diversity and inclusion in the workplace and to assess impacts and outcomes.</p> <p>Supporting fairness, equality and accessibility in the world of work.</p>
ISO 30422	Learning and development	<p>Provide guidance on a systematic process model for learning and development.</p> <p>Help managers and those with responsibility for learning and development to ensure that learning and development occurs in the most efficient and effective way.</p>
ISO 30434	Workforce allocation	<p>Recommend good practices common to all types of allocation: allocation framework, processes and steps How to prepare, assign and inform allocation decisions.</p> <p>Operationalise workforce planning processes: segment the workforce, calculate gaps and plan recruiting, training and transfers</p>

The spirit of these standards is completely different from “conventional” standards in that they are not intended to standardise management systems but rather concern management and management practices.

The mission did not perceive a particularly strong desire to implement these standards, in particular among the HR personnel interviewed. The reason given was that management (from a management practices perspective) could not be a subject of standardisation, and that the efforts made in this area generally did not deliver the benefits expected by the companies concerned. It is not the role of the mission to come down on one side or the other of this debate. Furthermore, it cannot be completely ruled out that most of these standards are still poorly known and therefore organizations do not clearly perceive the potential benefit of linking them to other standards that they apply to management systems (such as the 9000 series of standards on quality management). Nor is it possible to rule out the fact that HRM is an area covered by a plethora of legislative and regulatory standards and adopting voluntary standards in the more specific area of HR management is not considered a priority.

It has been seen above that the HR dimension must be implicated if management system standards are to become fully effective in an organization. It has also been seen that the process of adopting the standards and achieving the outcomes expected are not unrelated to management practices, whether they trigger changes to these practices or require them to be used.

The impact of HR standardisation on HR management, management practices and ultimately on the development of human potential and value creation has not yet been widely documented. This must be seen in light of the fact that with the 30 400 series this is the first time that standards are being introduced into the field of HR management itself.

Measuring this impact would make it possible to assess the effects on management practices produced by standards that cut across an organization and that would be vectors of change.



ANNEXE 7 : IMPLEMENTING THE CSRD DIRECTIVE: POTENTIAL EVENTUAL EFFECTS ON MANAGEMENT AND MANAGEMENT PRACTICES

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Provisions in a normative environment can produce direct or indirect effects on management and management practices. Similarly, structural changes in an organization's reporting methods and the transparency of the disclosures made, may lead to changes in the organization's management and management practices in order to improve performance.

Furthermore, when this reinforced reporting system is established in a European framework and applied directly in all Member States, with an identical scope and identical methods, then the ability to compare countries and organizations is greatly facilitated and this is likely to lead to changes, in particular in management practices.

This appendix presents the main technical features of reporting practices arising out of Directive 2022/2264/EU, known as the CSRD (Corporate Sustainability Reporting Directive), and outlines the challenges, in particular the social challenges, it entails.

This directive, which came into force on 5 January 2023 and has been applicable in France since 1 January 2024¹⁴⁵, concerns sustainability reports produced by companies and aims to regulate non-financial reporting (in this case, "sustainability reporting") at European level.

1 The CSRD directive: a new European framework for "sustainability reporting" that reserves a significant place for human resources issues

1.1 The principles laid down in the CSRD Directive

The goal of the CSRD directive, which follows on the European NFRD directive (Non-Financial Reporting Directive of 2014), is ultimately to encourage the sustainable development of companies. The information gathered in this context must provide a guarantee to the stakeholders of an organization (investors, shareholders, partners, States, managers, employees, suppliers, sub-contractors, customers) that they will have access to the information necessary to **better assess the impact¹⁴⁶ of the organization and its activities on people and the environment** and, in particular, that investors can ascertain the risks and opportunities arising from sustainability issues.

This information must be certified by an auditor or an accredited independent third-party body, certifying the truthfulness of the elements presented in the sustainability report.

This involves having a **transparent view** of the sustainability of corporate strategies, harmonising reporting and establishing comparability standards. The new directive improves **the accuracy and reliability** of information and standardises it in a report based on a European standard.

This reporting requires that an **ESG (environmental, social and governance) report be monitored and published in addition to the traditional financial statements**, which gives equal importance to the sustainable and the economic dimensions of the undertaking's activities.

It aims at greater transparency to respond to stakeholder requests for reliable, comparable and more accessible information on companies' ESG impact.

It makes it possible to anticipate and question the company's strategic directions and their potential impacts, in particular in its social dimension¹⁴⁶ as an employer.

¹⁴⁵France transposed the directive in Order No. 2023-1142 of 6 December 2023 and was thus the first country in the European Union to do so

¹⁴⁶ *The impact of an undertaking can be defined as "the effect that an undertaking has or may have on the economy, environment and people, including in particular its effect on human rights, as a result of the undertaking's own operations, products, or services through its business relationships. Impacts can be actual or potential, negative or positive, long-term or short-term, intentional or unintentional, remediable or irremediable. The notion of impact refers to the company's contribution, negative or positive, to sustainable development".* Definition of impact resulting from the work of the Efrag (European Financial Reporting Advisory Group)

Thus, beyond the reporting exercise, the opportunity opens up to make this new framework a steering tool, in particular for management, in a change management perspective induced by the new visibility provided by performance transparency in all its ESG components.

1.2 The scope of the directive is more wide-ranging than previous financial reporting obligations

The directive concerns:

- companies listed on European regulated markets (including listed SMEs);
- European (listed or unlisted) companies exceeding at least two of the following three thresholds: more than 250 employees, more than €50 million in turnover and/or a total balance sheet of more than €25 million;
- non-European companies whose subsidiaries (or branches) generate turnover in the EU of more than €150 million (or more than €40 million in France).

Approximately **50,000 companies¹⁴⁷ in the EU are concerned**. For France, a total of 6,000 companies will gradually be subject to the CSRD, compared to 2,500 with the NFRD.

1.3 The methodological tools in the CSRD are innovative and open up to extensive social reporting

1.3.1 The principle of “double materiality”: the challenge of impacts, including in the area of human resources

The principle of “double materiality”¹⁴⁸ introduced by the Directive is innovative and fundamental. The analysis carried out based on this double materiality principle is the starting point for the reporting provided for in the CSRD.

It requires disclosures on both the risks that these environmental, social and societal challenges may have on the economic situation of the company (financial materiality), and on the impact their activities may have on people and the environment (impact materiality).

For each of the “Environmental, Social, Governance” themes (ESG see below) on which it has data, the company will ask itself the question of their impact on economic performance but also, conversely, the impact that its activity has on its stakeholders.

The challenge of the analysis according to this double materiality principle lies in precisely identifying themes that demonstrate a given or suffered impact.

It is considered that a company will have to report on between 300 and 500 items depending on its area of activity and its size. Two-thirds of the data to be included in sustainability reporting are in fact qualitative data: information on the nature of the issues, action plans, goals, but also the methodologies used to determine these items must be reported. The other data will be quantitative data.

For the human resources domain, there are 17 themes (see ESRS S1 below) listed in the directive that must be integrated into this analysis approach according to the “double materiality” principle.

If the company considers that a subject does not come within its analysis according to the “double materiality” principle, it will not have to disclose any information on that subject.

An exception to this is that following on this preliminary analysis and regardless of the result, the directive lays down one basic principle: the disclosure of information on social dialogue, collective bargaining, diversity, social protection

¹⁴⁷ A little over 11,000 were subject to the NFRD

¹⁴⁸ Also sometimes referred to as the “principle of dual importance”

of employees and decent pay will be mandatory for all companies concerned and these cannot therefore avoid these issues.

The directive also requires companies not only to have a descriptive approach to their results, but also to commit to a number of goals in an on-going improvement approach.

For this, it includes two tools: ESG data (which existed prior to the CSRD) and the ESRS standard (developed in support of the CSRD directive). These elements are described below.

1.3.2 Environmental, social and governance (ESG) data at the heart of the new corporate accountability requirement

The materiality analysis will therefore determine on which indicators the entity must communicate and the company will then only publish those indicators that are material, i.e. significant.

The so-called “ESG” indicators and data will be used. Non-financial reporting relates to the company’s so-called **ESG (Environmental, Social and Governance)**¹⁴⁹ data, which comprise:

- Environmental criteria: climate change, biodiversity, resource use, sustainable prevention of risks linked to industrial disasters, carbon impact, etc.;
- **social factors: secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance, health and safety, gender equality, training and skills development, employment and inclusion of people with disabilities, combating harassment, diversity and inclusion, child labour, forced labour, decent housing and respect for privacy.**
- governance factors: role of administrative bodies, lobbying activities, management of relations with business partners, anti-corruption, compliance with transparency of executive remuneration, relations between shareholders, management and the board of directors, etc.

1.3.3 The ESRS standard frames and harmonises the reporting fields and precisely defines the topics that fall within the HR domain

The European Sustainability Reporting Standards (ESRS) set down the disclosure requirements for companies subject to the CSRD directive.

In order to give a framework for the preparation and disclosure of such information, the CSRD provides for the adoption of European sustainability reporting standards, the ESRS standards established under the aegis of EFRAG (European Financial Reporting Advisory Group).

The aim is to adopt a unified European language on sustainability information, to enable stakeholders to better compare the overall performance of different companies.

The ESRS standards are a tool for transparency and also a tool to help steer companies with a view to the sustainable development of their activities.

These standards reflect the accountability obligations of undertakings in terms of transparency, but they do not guide them on how to deal with the consequences of their findings, only on the actual disclosure of these findings.

Among the four ESRS categories, one: **ESRS S1 - "Own workforce"**, takes into account the social dimension of companies.

Social issues in ESRS S1 are grouped into three categories:

¹⁴⁹ The ESG score aims at measuring how exposed a company is to environmental (E), social (S) and governance (G) risks. It also reflects their ability to deal with these risks or conversely to take advantage of opportunities that may arise in the context of the transition to a sustainable economy. This analysis is referred to as the “ESG performance”.



1. Working conditions (health and safety, working time, social protection, secure employment, combating harassment, collective bargaining, social dialogue, freedom of association);
2. equal treatment and opportunities (diversity, gender equality, training, people with disabilities, pay gaps);
3. fundamental human rights (child labour, forced labour, human trafficking).

The materiality of these issues varies according to the legislation and social practices specific to each country, as well as the specificities of each sector of activity.

Thus, by way of illustration, this analysis may consist in identifying the positioning of the undertaking's staff and differentiating the sectors of activity. The criteria taken into account could include the number of salaried and non-employee workers, labour costs, flexible working hours, employment insecurity, specific skills, exposure to accident risks, etc.

The ESRS S1 standard: principles and legal alignment

The ESRS S1 standard is part of the social component of the ESRS (European Sustainability Reporting Standards). It concerns the undertaking's workforce and their working conditions: social dialogue, decent wages, training, inclusivity, health and safety, work-life balance, etc.

The standard applies to the undertaking's **"Own workforce"**: employees, temporary workers and external workers who have entered into a service contract. (The workers in the value chain - including suppliers/sub-contractors) are covered by ESRS S2).

ESRS S1 provides for a set of **data that must be disclosed** by the company in its sustainability report (CSRD). There are 17 of these disclosure requirements (see details below).

*"The CSRD underlines the particular importance of **aligning sustainability reporting standards with international instruments** on responsible business behaviour, corporate social responsibility and sustainable development, including the Sustainable Development Goals (SDGs), the UN Guiding Principles and the OECD Guiding Principles, including their human rights, employment and working relations chapters, as well as the relevant sectoral guidelines, the Global Compact, the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the ISO 26000 Standard on Social Responsibility and the UN Principles for Responsible Investment.*

*In addition to the international and European human rights instruments, the CSRD also refers to the **European Pillar of Social Rights (EPSR)**, which is a key European initiative containing 20 principles intended to serve as "[...] a beacon guiding us towards a strong social Europe that is fair, inclusive and full of opportunity" 1. The accompanying action plan is a set of concrete initiatives aimed at implementing the European pillar of social rights. The expectations of the action plan for the CSRD are that "Better public reporting by companies about social issues [...] should facilitate investment flows towards economic activities with positive social outcomes" (The European Pillar of Social Rights Action Plan, Section 4)".*

(In European Sustainability Reporting Standards. ESRS 1, Own Workforce, 2023 March)

2 Possible future challenges of CSRD reporting on human resources management

2.1 The extent of the scope covered in the field of HR lays the foundations for social reporting that is placed in a dynamic perspective

The main challenge of the 17 disclosure requirements (DR) is to define the areas that can/should serve as a basis for measuring the impacts, risks and opportunities relating to the undertaking's own workforce, both generated by the undertaking and suffered by it.

Two groups of DRs can be distinguished:

- One that concerns the impacts of the activities carried out by the company on its own workforce and the responses provided or envisaged (5 DRs);
- one which concerns data and indicators on the characteristics of its own workforce (12 DR).



In this reporting dimension, the company not only observes (and shares) impacts: it also exposes (and shares) the responses it proposes or intends to propose to remedy or mitigate them. This transparent display thus becomes somehow “enforceable” with respect to stakeholders, including the undertaking’s workforce.

This increased transparency could encourage employees to engage in a stronger dialogue, so that the responses that are provided in the reporting are accompanied by changes, in particular in management and management practices.

Externally, the publication of these social data, for example to people seeking new career opportunities or to resume their activity, is also likely to stimulate or reinforce efforts on the part of undertakings to further promote their “employer brand”, to attract the talent it needs, if the elements presented do not meet the expectations of these potential candidates.

2.1.1 Typology of the impacts of the activity on employees and responses provided

This first group of data is positioned in a dynamic or prospective register: The undertaking analyses the impacts of its activity on its employees and displays the responses it intends to implement.

Table1: ESRS S1: Disclosure requirements (DR) on the impacts of the activities deployed by the company on its own workforce

DR	Title ¹⁵⁰	Objectives
1	Policies related to own workforce	The undertaking presents the actions it implements to identify how its activities impact its staff (negative or positive, actual or potential impacts) and how it responds to these impacts (measures taken to prevent accidents at work, combat discrimination, promote inclusion and diversity, etc.). The resulting financial opportunities and risks are also presented.
2	Processes for engaging with own workforce and workers’ representatives about impacts	The undertaking presents to what extent its workforce can guide decision-making in terms of impact management .
3	Processes to remediate negative impacts and channels for own workforce to raise concerns	The undertaking explains how employees can express their concerns and needs to the undertaking (email, social dialogue with employee representatives, etc.) and how the undertaking receives these and takes them into account.
4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	The undertaking shall disclose how it takes action to mitigate and limit the negative impacts of its activities. It also presents the measures taken and to be taken to improve the working conditions of the workforce.

¹⁵⁰ The titles are an unofficial translation of the *European Sustainability Reporting Standards. ESRS 1, Own Workforce, 2023 March* available in English only



5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	The undertaking shall disclose the targets and timeframes set so that it can assess the effectiveness of its impact management . (Example: an increase in the proportion of people with disabilities in its workforce so as to promote inclusivity).
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Source : ESRS

This second group of data is positioned in a more descriptive and retrospective logic of key indicators. New data have been integrated into transparency, in particular those relating to the company's non-employee workers.

However, the indicators presented, insofar as they reflect a past change, are nonetheless of a nature to reflect, where appropriate, the existence of a dynamic and contribute to perpetuating or even accentuating it. Conversely, this visibility of an unfavourable situation could lead to an appropriate response, mobilising management and adapted management practices to aim for better results.

Table2: ESRS S1: Disclosure Requirements (DR) on own workforce data

DR	Title	Characteristics (examples)
6	Characteristics of the undertaking's employees	The undertaking shall describe key characteristics of employees in its own workforce : breakdown by gender and by country, by type of employment contract, the rate of employee turnover, etc.
7	Characteristics of non-employees in the undertaking's own workforce	The undertaking discloses information on the staff it employs on a temporary basis and on self-employed workers with whom it works: number, types of contracts and benefits provided, breakdown between men and women, etc.
8	Collective bargaining coverage and social dialogue	The undertaking shall disclose the percentage of its total employees covered by collective bargaining agreements and the arrangements to enable employees to participate in social dialogue .
9	Diversity metrics	The undertaking shall disclose information on top management employees : their percentage of all employees and their gender distribution in particular.
10	Adequate wages	The undertaking shall indicate the proportion of its employees who do not receive an adequate wage . This is determined in particular on the basis of the minimum wage provided for by national legislation, a collective agreement or international legislation.
11	Social protection	The undertaking shall disclose whether its employees are covered by social protection against illness, unemployment or employment injury.
12	Persons with disabilities	The undertaking shall disclose how it promotes the inclusion of persons with disabilities . It discloses the

		breakdown of its employees with disabilities by country and gender.
13	Training and skills development metrics	The undertaking explains how it assesses the skills of its employees and the volume of training they receive, specifying in particular the breakdown by hierarchical level.
14	Health and safety metrics	The undertaking must disclose data on work-related injuries and work-related ill health . It also provides information on the health coverage that employees benefit from.
15	Work-life balance metrics	The undertaking provides information on family-related leave granted to employees as well as other measures taken to improve the work-life balance of its workforce.
16	Remuneration metrics	The undertaking shall disclose the data on pay gaps between its employees, and in particular between men and women .
17	Incidents, complaints and severe human rights impacts	Here, the undertaking provides information on reported cases of discrimination and harassment as well as severe human rights violations (forced labour, human trafficking, child labour). If such incidents have occurred, the undertaking indicates the actions that have been taken.

Source : ESRS

2.2 The implementation of the CSRD can be a support point for the mobilisation of management to change management practices in certain areas

The innovative nature of the disclosure of such extensive and widely shared non-financial information requires companies to lay the foundations for structuring these indicators.

For the companies concerned, many employees and external stakeholders will be directly or indirectly affected by the CSRD directive and the changes it will induce at the operational level.

The implementation of the CSRD for a company is in itself a strong organisational challenge as it must be accompanied by fresh managerial reflections both on how to manage this project, but also in a longer-term strategic perspective.

Companies have and will have to communicate internally about this CSRD project, which could be conducted as a genuine transformation project. They must support change, in particular through training, set up units dedicated to CSR (and its social dimension) and structure governance of the system, which will also be deployed in the various business lines and functions.

CSRD can also be a lever that enables companies to change their organisational framework so as to guide their ESG performance. It is likely that certain elements of this organisational framework will need to be adapted and others transformed, as data collection and management is ramped up and information systems are integrated for CSRD reporting purposes.

A study conducted by Deloitte with the support of the Observatoire de la Responsabilité Sociétale des Entreprises (ORSE) and the Association Nationale des DRH (ANDRH), shows that the social aspect of the new CSRD standards in the HR function is still not widely taken into account¹⁵¹ with just a few months to go before the first CSRD reports are expected to be published¹⁵².

Based on these elements, only 24%¹⁵³ of companies say they have a high level of understanding of the social component of CSRD reporting.

The HR functions of companies that are subject to the sustainability reporting obligation will naturally have to be in a position to manage the social aspects of the CSRD directive: as a result, 65% of respondents feel that understanding the social standards is a short-term priority.

Firstly, and without calling into question the data and documents corresponding to the disclosure requirements in the work area, the gradual implementation of the CSRD directive should require a coherence approach whereby the disclosures in CSRD reporting and which are already required under several other schemes are mapped¹⁵⁴.

In addition, the new CSRD standards are intended to become a strategic indicator point of comparison, for example in terms of remuneration. HR departments will therefore be responsible for rolling out these new sensitive indicators, which include the obligation to publish pay gaps, the definition of adequate wages and the right to be informed of the link between career progression and remuneration.

In addition, with this reporting, companies will have to explain how grievances/incidents reported by their employees are handled. But they must also show how employees' knowledge of the procedures available to them and their level of trust in these procedures is ascertained.

This reporting will also help foster social dialogue, to the extent that the sustainability report is an integral part of the management report, which is itself submitted to the SEC for consultation.

The directive stipulates that trade unions and employee representatives should be included in the list of recipients of the text. By including environmental and social issues in a single document, the CSRD aims to provide social dialogue stakeholders with reliable data that can be compared with other companies in their sector and country and beyond...

The HR functions will also have to be involved in establishing tools and capitalised data to meet the transparency requirements that the CSRD wishes to be addressed in relation to the topics covered by the ESRS S1. Indeed, for the materiality analysis, the directive specifies the usefulness of the company taking the opinion of stakeholders into account, including social partners. This would provide additional insight into possible impacts that could not have been identified in a risk analysis.

In particular, the directive provides for a "discussion" with employee representative bodies on "relevant information and the means of obtaining and verifying sustainability information".

As such, these challenges are currently managerial challenges linked to the implementation of sustainability reporting.

¹⁵¹ "2024, *cap sur la CSRD*" study carried out by Deloitte on the level of maturity of the HR function in applying the new CSRD standards within companies. Published in March 2024

¹⁵² 1 January 2025

¹⁵³ And nearly 34% of respondent companies say they are not sure whether they are subject to CSRD requirements

¹⁵⁴ For example: The social statement (over 300 employees), the unique occupational risk assessment document (DUERP), the gender equality index, the annual report on the comparative situation of men and women, the economic, social and environmental database (ESDB)



But going forward, once the CSRD is more widely used, it will probably have a greater impact on the company's managerial policy. This will depend in part on integrating ESG into value chains. With the operational management of the ESG performance, the company will be able to integrate these dimensions into its business plan and strategy.

In 2023, a study conducted by EcoVadis and Bain&Company¹⁵⁵ confirmed the correlation between good ESG practices and financial performance. Analysing more than 100,000 companies, it found that:

- Companies with strong ESG practices within their supply chains have margins 3% to 4% better than those that don't;
- ESG leaders have higher employee satisfaction, and companies with the most satisfied employees grow faster and are more profitable. They have three-year revenue growth up to 5 percentage points above those with less-satisfied employees and margins as much as 6 percentage points higher than those lagging behind in implementing their sustainability strategies.

While caution should be exercised with regard to findings from organisations that may have an interest in disseminating the standards in question, this study tends to show that a company's structuring choices may benefit from the ESG risk and opportunity analyses in the CSRD.

This means that the action plans and reports required by the CSRD can be considered not only as compliance requirements, but also as strategic elements that can improve their overall performance.

It is in view of this that the entire management ecosystem can be concerned.

¹⁵⁵ Do ESG efforts create value?", Bain&Company and EcoVadis, 2023 April.



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¹⁵⁶The link between management practices and the performance of an organisation appears intuitively strong, despite the differing definitions found in the literature.

Company performance is assessed in particular by certain pre-set objectives in various areas of activity. It encompasses an assessment covering several dimensions that can include financial, operational, strategic and social aspects.

The main studies used here to measure this link use either a definition focused more on productivity as an indicator of good performance, or, for the DARES study, more conventional financial indicators, derived from surveys among companies (FARE, tax returns used in compliance with statistical secrecy).

Intuitively, these two concepts seem to be linked. However, **academic studies find correlations more frequently than causalities**, mainly due to the difficulties of having jointly robust databases to test these relationships.

In this appendix, we propose using certain French databases in order to statistically approximate a possible link between economic performance and the quality of management practices.

1 Which methodologies for which results in the academic sphere?

The numerous studies in this field vary in terms of definitions and methods when examining these links between management practices and improved economic performance.

1.1 The “World Management Survey” project

This is a project that started in 2002 with UK and German¹⁵⁷ academic partners ("Centre for Economic Performance")¹⁵⁸ and now includes more than 35 countries, numerous publications and databases. The idea was to be able to “measure the immeasurable”, in particular to objectively assess business practices and establish *ceteris paribus* comparisons.

One of these publications¹⁵⁹ made it possible to establish differences in productivity according to more transparent and objective management practices. This result was achieved in particular thanks to the use of a database built specifically for this purpose in the United States by the *Census Bureau* and several academic teams, based on mandatory questionnaires.

The questions in the “good management” survey focused on management oversight, goals and incentives, based on the *World Management Survey*. This study shows a positive correlation between productivity, profits, innovation and hourly production wages with management practices. Three significant results are to be noted:

- There is a positive correlation between productivity, profits, innovation and hourly production wages with management practices that employees can understand, and this difference is even more pronounced for larger structures (>500 employees).
- The legislative and regulatory environment, as well as various subsidies, also have further significant effects on management practices, in particular on incentive practices (bonus policies, promotion policies, etc.).
- However, the spread of more structured management practices varies depending on the environment. They are more widespread in tech-intensive industries and have a positive impact on the dissemination of

¹⁵⁶ The elements relating to contributions from research were provided by a report prepared by Christine Daniel, General Inspector of Social Affairs (IGAS report M2023-129: "Apports de la recherche, Mission Pratiques managériales et politiques sociales") as well as the work carried out for the mission by Gentjana Zallumi, an intern at the Albanian General Inspectorate.

¹⁵⁷ <https://worldmanagementsurvey.org/>

¹⁵⁸ <https://cep.lse.ac.uk/>

¹⁵⁹ “What Drives Differences in Management Practices?”, Nicholas Bloom, Erik Brynjolfsson, Lucia Foster, Ron Jarmin, Megha Patnaik, Itay Saporta-Eksten, and John Van Reenen, *American Economic Review* 2019, 109(5): 1648–1683,



knowledge in the region in which they operate, promoting the concept of a “learning” company, a factor for better economic performance.

1.2 Other European and American studies confirm the positive effect of participatory management practices on economic performance through the rapid adoption of digital innovations, in particular

These elements are also partially developed in the second part of the report.

1.2.1 A publication of the American Economic Review¹⁶⁰ measures the results of “good management” through a company’s ability to quickly adopt new technologies and thus achieve productivity gains

US companies therefore apparently have an edge over and better productivity gains than their European counterparts. This is apparently true due in particular to management practices promoting training, participation and autonomy (see part 2).

1.2.2 Another European¹⁶¹ publication examines the effects of digitalisation and organisational practices on innovation in Europe between 2010 and 2016.

The authors analyse the cross-country and industry differences in firms’ investments and capabilities to adopt and use new technologies and their effects on innovation outputs. Along with traditional drivers of innovation, such as research and development (R&D) expenditure, two composite indicators are constructed. One encompasses direct measures of the adoption and use in enterprises of a set of digital technologies. The other measures the learning capacity of organizations, which captures the use of management tools and organizational practices concerned with the improvement of individual and organizational learning.

The authors constructed a single data set on a European Union level covering three periods over 2010-2016. This dataset combines three main sources through a “common cell” - an industry in one country in a given year. The results from the econometric analysis show that these investments can favour all forms of innovations. They also may show some complementarity between the adoption and use of digital technologies and an organisation's ability to learn, particularly for technological innovations. To conclude, the authors stress that joint investments in R&D, digital technology adoption and the learning capacity of the organization favours a mix of product/process innovations and organizational/marketing innovations.

1.2.3 Studies conducted in France by DARES confirm this correlation

One study¹⁶² shows a positive correlation between prevention¹⁶², working conditions and the economic performance of companies in France. Companies that invest the most in prevention are also the most economically successful, even after controlling observable characteristics such as the sector, number of employees, capital, and social and professional structure. This study uses the survey on working conditions in France (2014) as well as the results of the FARE database, which collects the financial results of these companies as well as the DADS¹⁶³ and the LIFI system¹⁶⁴.

¹⁶⁰ *Americans Do IT Better: US Multinationals and the Productivity Miracle* By Nicholas Bloom, Raffaella Sadun, and John Van Reenen, *American Economic Review* 2012, 102(1): 167–201.

¹⁶¹ *Digital technologies, learning capacity of the organization and innovation: EU-wide empirical evidence from a combined dataset*, Nathalie Greenan^{1,2,3} and Silvia Napolitano^{1,2} *Industrial and Corporate Change*, 2023, 00, 1–36

¹⁶² *"Conditions de travail, prévention et performance économique et financière des entreprises"*, 27 August 2020 Study document No. 238, Méline Hillion

¹⁶³ INSEE bases, The annual social data declaration (DADS) is a reporting formality that must be completed by any company that has employees.

¹⁶⁴ The LIFI information system shows the financial links between companies.



2 The link between good management practices and company performance in France

In order to objectively quantify the relationship between management practices and company performance, the mission matched the 2019 DARES working¹⁶⁵ conditions survey with INSEE's FARE¹⁶⁶ database. The working conditions survey provides some information on certain management practices, whereas the FARE database, which includes all tax statements and returns, provides information on the company's financial situation and performance.

It should be noted that the working conditions survey aims to cover all employees. Therefore, a significant proportion of those surveyed belong to the public sector and will by definition be excluded from the analysis that concerns the company's financial performance.

2.1 Presentation of data

As mentioned previously, while the definition and boundaries of management practices fluctuate, there is nevertheless a convergence noted by the mission as to the elements that characterise best practices. We have attempted to retain the questions in the working conditions survey that are most germane when it comes to characterising good management and to test this criterion against the performance of the companies.

2.1.1 The variables selected from the 2019 working conditions survey:

A selection of the questions sent during the last survey on working conditions (2019) has been selected to test the link between management practices and performance of the companies in which the employees interviewed work.

Table1: Questions selected to test the link between management and performance

Name of the question in the DARES database	
Regular and objective evaluation	
EVA	At least one performance review per year
EVACRIT	The interview focuses on precise and measurable criteria (objectives, results, acquisition of skills)
Work organisation level	
CORRTAN	In order to do their job properly, the respondent generally has: enough time
CORRINF	In order to do their job properly, the respondent generally has: clear and sufficient information
CORRCOP	In order to do their job properly, the respondent generally has: the opportunity to cooperate (exchange of information, mutual assistance, etc.)
CORRCOL	In order to do their job properly, the respondent generally has: a sufficient number of employees (or colleagues)

¹⁶⁵ [Employment survey | DARES \(travail-emploi.gouv.fr\)](https://travail-emploi.gouv.fr/)

¹⁶⁶ [Annual structural statistics of companies in the ESANE system - CASD - Secure Data Access Centre](#)



CORRLOG	In order to do their job properly, the respondent generally has: the appropriate software and computer programmes
CORRMAT	In order to do their job properly, the respondent generally has: sufficient and appropriate equipment
CORRFORM	In order to do their job properly, the respondent generally has: sufficient and appropriate continuing education
Training following a change in the working environment	
FORTMOD1	Change in the working environment in the last twelve months: a change of position or function
FORTMOD2	Change in the working environment in the last twelve months: a change in the techniques used
FORTMOD3	Change in the working environment in the last twelve months: a restructuring or relocation of the plant, company or administration
FORTMOD4	Change in the working environment in the last twelve months: a change in the work organisation in the establishment
FORTMOD5	Change in the working environment in the last twelve months: a redundancy scheme in the establishment
FORTMOD6	Change in the working environment in the last twelve months: buy-out or change in the management team
FORTMOD7	Change in working environment in the last twelve months: other reason
Consultation	
CHGTINFO	Feeling of having received sufficient and appropriate information at the time of changes in the working environment
CHGTCONS	Consultation or not at the time of changes in the working environment
CHGTINFL	Feeling of the ability to influence or not the implementation of changes in the working environment
Recognition	
RPA1A	Degree of agreement with the statement: my manager pays attention to what I say
RPA1C	Degree of agreement with the statement: people who rate my work know it well
RPA1G	Degree of agreement with the statement: given all my efforts, I receive the respect and appreciation that my work deserves
RPA1H	Degree of agreement with the statement: given all my efforts, my prospects for promotion are satisfactory
RPA1I	Degree of agreement with the statement: I am asked to do an excessive amount of work
RPA1J	Degree of agreement with the statement: I can organise my work in the way that suits me best

RPA1L	Degree of agreement with the statement: I have the opportunity to develop my professional skills
RPA1M	Degree of agreement with the statement: I am treated fairly at work
RPB5A	How often the individual experiences the following feelings in their work: pride in a job well done

Source : *Questions from the 2019 Working Conditions Survey*

2.2 Calculating the economic performance of companies

When company performance is measured in economic literature the authors generally use the concept of productivity, which cannot be directly quantified from the company's accounting data. This then requires making an assumption about the form of the company's production function in order to deduce the elements that increase its production but which are not directly linked to an increase in the capital or work volumes.

The DARES study, however¹⁶⁷, uses four indicators for this purpose: productivity, margin rate, operating profitability and financial profitability. Here we have chosen one indicator, the gross operating surplus (GOS), which can be observed more directly on the data in the FARE database, which corresponds to the amount on which the company will pay income tax and its amortisation and depreciation. The choice of using the increase in this amount over the period is a performance indicator here.

The GOS is calculated as follows:

$$\text{GOS} = \text{Net income} + \text{Financial expenses} + \text{Taxes} + \text{Total fixed assets}^{168}$$

2.2.1 Data presentation, methods

As part of the DARES survey on working conditions (WC) based on 2019 data, we have chosen to take the **change in the company's GOS between 2019 and 2020 as an economic performance indicator**. This measure, limited by the usable data, encourages the utmost caution when interpreting the results.

2.2.2 Survey data characteristics.

The WC survey interviewed 11,654 employees. If we match it with the FARE database by SIRET number, we find 4,549 individuals distributed across 3,928 SIRET. This is mainly due to the disappearance of public sector employees in the matching process. SIRET numbers for which changes in the GOS are difficult to measure are also excluded¹⁶⁹. Again, the narrow nature of the sample implies cautious interpretation.

After matching, a work file is obtained consisting of:

- 3,928 different SIRET numbers
- 4,537 individuals

The distribution of companies by size is quite close to that of the employment survey, as shown in the chart below.

¹⁶⁷ "Document d'étude - Conditions de travail, prévention et performance économique et financière des entreprises" DARES August 2020, Mélanie Hélon

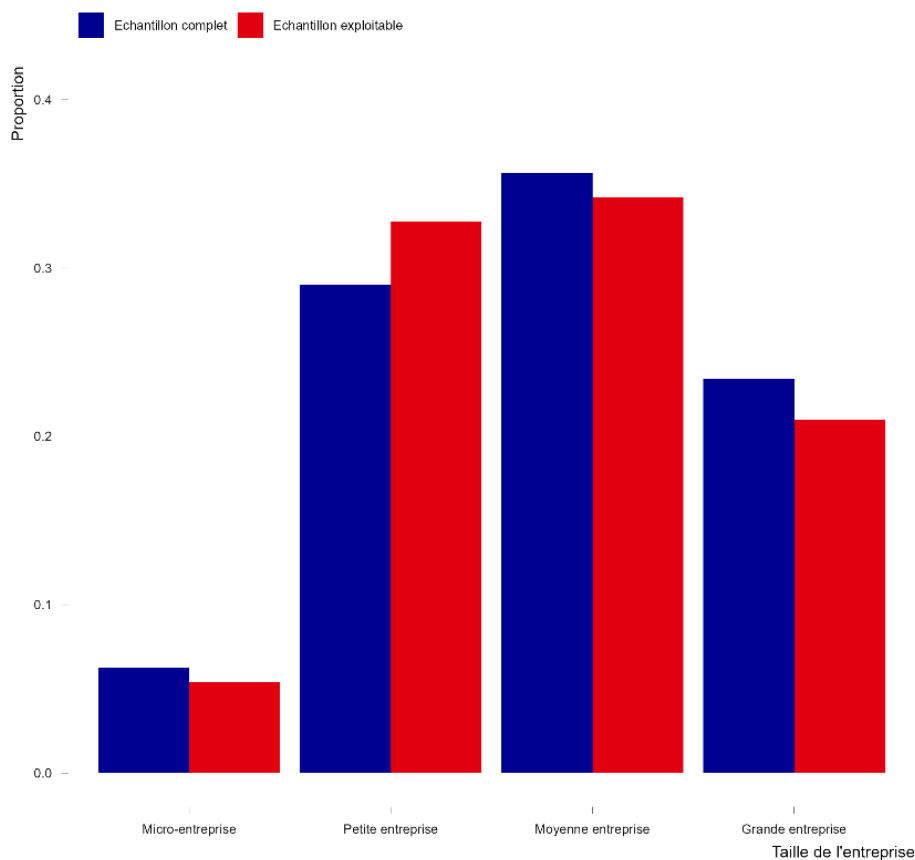
¹⁶⁸ Depreciation, amortisation and provisions

¹⁶⁹ GOS close to 0



Graph 1. Comparison of the distribution of companies in the sample by size

Comparaison des proportions des différentes tailles d'entreprises de l'échantillon exploitable par rapport à la totalité de l'enquête " Conditions de travail "



Comparaison des proportions des différentes tailles d'entreprises de l'échantillon exploitable par rapport à la totalité de l'enquête " Conditions de travail "	Comparison of the proportions of the different sizes of companies in the usable sample in relation to the full "Working Conditions" survey
Echantillon complet	Complete sample
Echantillon exploitable	Usable sample
Proportion	Proportion
Micro-entreprise	Very small enterprise
Petite entreprise	Small enterprise
Moyenne entreprise	Medium-sized enterprise
Grande entreprise	Large enterprise
Taille de l'entreprise	Size of the company

Source : FARE, WC, IGAS data centre matching for the mission

2.2.3 Evaluation method chosen

In order to test the systematic correlation of each variable in the WC survey with the change in GOS, a variance analysis (ANOVA) is carried out on each variable.

Outlier values¹⁷⁰ for GOS changes are removed from the analysis in order to avoid misinterpretations. **Thus, out of the 28 variables tested, only 2 appear material (p value <0.05).**

¹⁷⁰ 2.5% lower and higher

These are the variables:

- RPA1C "people who rate my work know it well";
- RPB5A "frequency at which the individual feels pride in a job well done".

These two variables correspond to some of the convergent elements, reported by the mission around the concept of "good management practices", namely:

- Managers with skills acquired more due to on-the-job experience and who are probably less likely to have been hired based solely on their qualifications. This legitimacy accorded by their teams is then based more on the manager's in-depth knowledge of the tasks they perform.
- Recognition of their skills and achievements for the company.

Of course, these two concepts alone do not of themselves equate to good management practices. They can nevertheless be indicators, all the more where statistical material and questions are used to collect first-line answers regarding quality of life at work and health and safety risk prevention at work.

2.3 Analysis of the results

2.3.1 Analysis of the RPA1C question "people who rate my work know it well"

The RPA1C question offers the following 7 possible answer modalities:

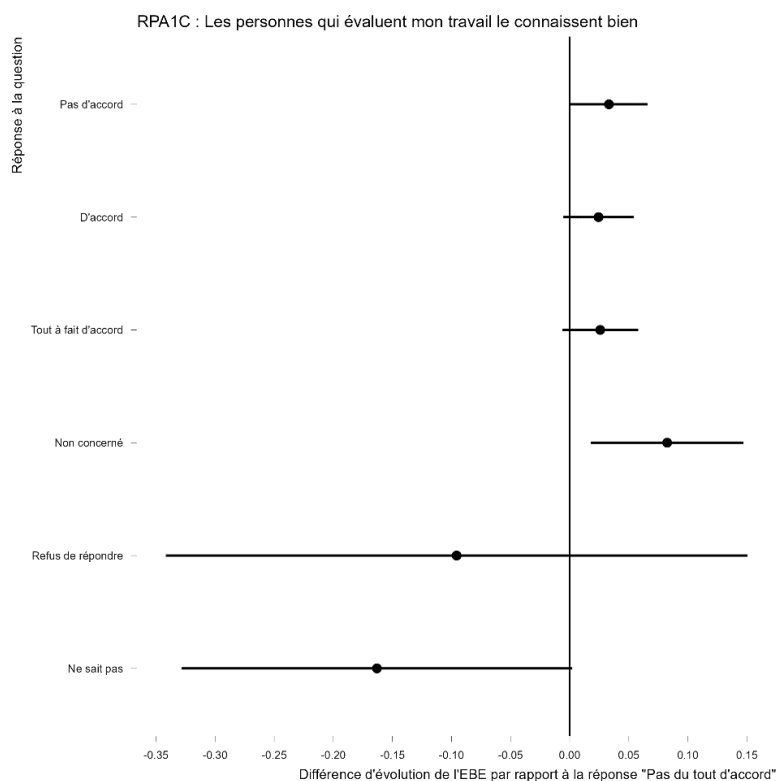
Table2: Distribution of answers to the question on job recognition

1 - Disagree completely	2 - Disagree	3 - Agree	4 - Strongly agree	5 - Not concerned, no line manager	9 - Don't know	8 - Refuses to answer
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Source : DARES WC Survey 2019

The chart below represents for each modality, the estimated change to the GOS and the associated confidence interval with respect to answer modality 1, i.e. "Disagree completely".

Variation in performance (GOS) based on the employee's assessment



RPA1C : Les personnes qui évaluent mon travail le connaissent bien	RPA1C: The people who rate my work know it well
Réponse à la question	Answer to the question
Pas d'accord	Disagree
D'accord	Agree
Tout à fait d'accord	Strongly agree
Non concerné	Not concerned
Refus de répondre	Refuses to answer
Ne sait pas	Don't know
Différence d'évolution de l'EBE par rapport à la réponse "Pas du tout d'accord"	Difference in the change to the GOS with respect to the answer "Disagree completely"

Source : IGAS data centre processing for the mission

Two answers are significant, "Disagree" and "Not concerned, no line manager". This means that for individuals who disagree with the statement (those who are not concerned respectively), the change to GOS is estimated at more than 3.32 points 8.25 respectively) between 2019 and 2020, with a confidence interval of [0.04;6.60] ([1.79;14.71 resp.]) with respect to those who answer "Disagree completely".

2.3.2 Analysis of the question RPB5A "frequency at which the individual feels pride in a job well done".

The RPB5A question offers the following 6 possible answer modalities:

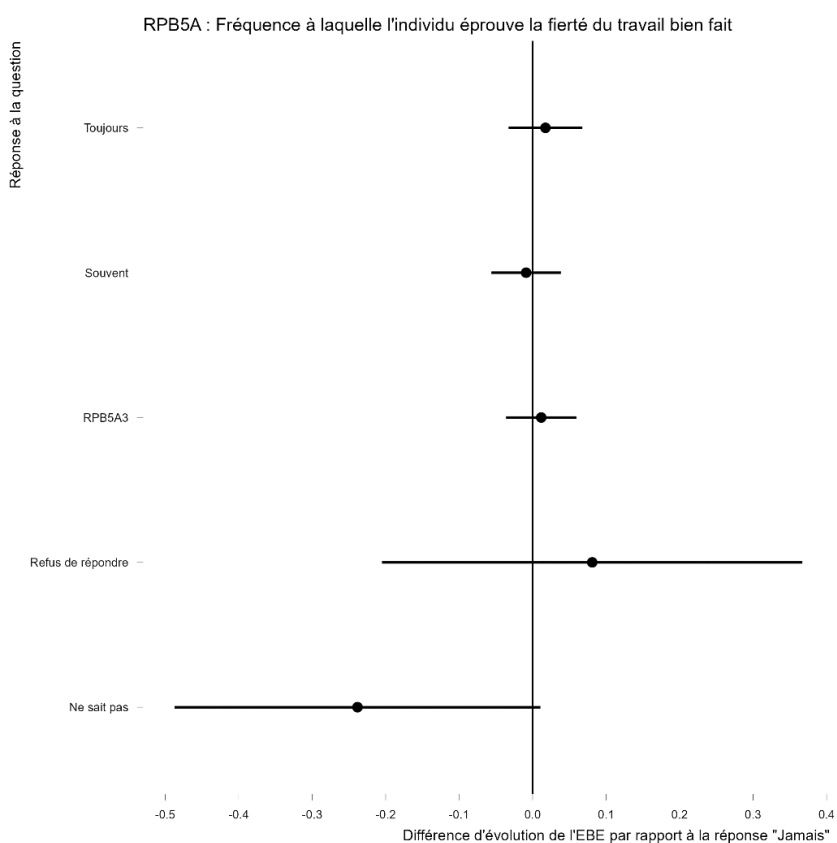
Table3: Pride at work answers

1 - Always	2 - Often	3 - Sometimes	4 - Never	9 - Don't know	8 - Refuses to answer
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Source : DARES WC Survey 2019

A similar analysis by linear regression is performed on the answer modalities of the variable. The coefficients are estimated with the "never" modality as the reference. The results are presented in the chart below:

Distribution of the answer on feeling of pride at work and progress in company performance (GOS).



RPB5A : Fréquence à laquelle l'individu éprouve la fierté du travail bien fait	RPB5A: Frequency at which the individual feels pride in a job well done
Réponse à la question	Answer to the question
Toujours	Always
Souvent	Often
RPB5A3	RPB5A3
Refus de répondre	Refuses to answer
Ne sait pas	Don't know
Différence d'évolution de l'EBE par rapport à la réponse "Jamais"	Difference in the GOS variation with respect to the answer "Never"

Source : IGAS data centre for the mission from FARE WC data

This time, no modality appears as statistically significant, since the confidence intervals always contain 0.



2.3.3 Analysis by sectors chosen by the mission

An analysis on the sectors studied by the mission¹⁷¹ is carried out on these two variables. It makes it possible to have a more homogeneous approach since we remain in the same sector of activity. However, the number of observations varies greatly depending on the sectors and the number of observations used in the analysis.

Table4: number of observations used in the analysis

Sector	Hospitality-catering	Banking-insurance	Automotive	Digital-telecommunications
Number of observations	95	48	777	112

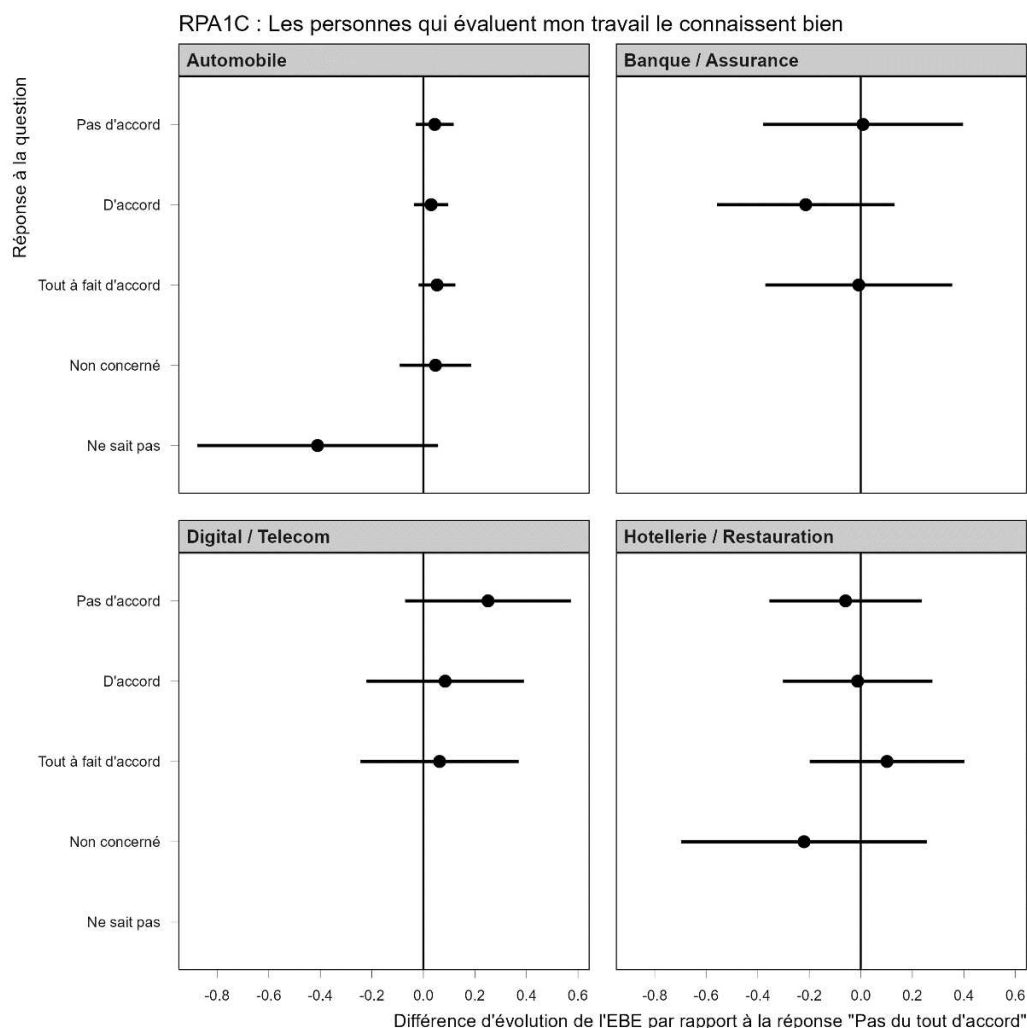
Source : DARES WC Survey 2019

The results are shown in the table below and indicate no significant statistical links. This is mainly due to the fact that estimates are made on a relatively small number of observations per category. Only the automotive sector with the highest number of observations achieves lower confidence intervals.

¹⁷¹ The hospitality-catering, banking-insurance, automotive and digital-telecommunications sectors are identified based on their NAF codes.



Sectoral breakdown on the link between good knowledge of the work of subordinates and the company's performance (GOS)

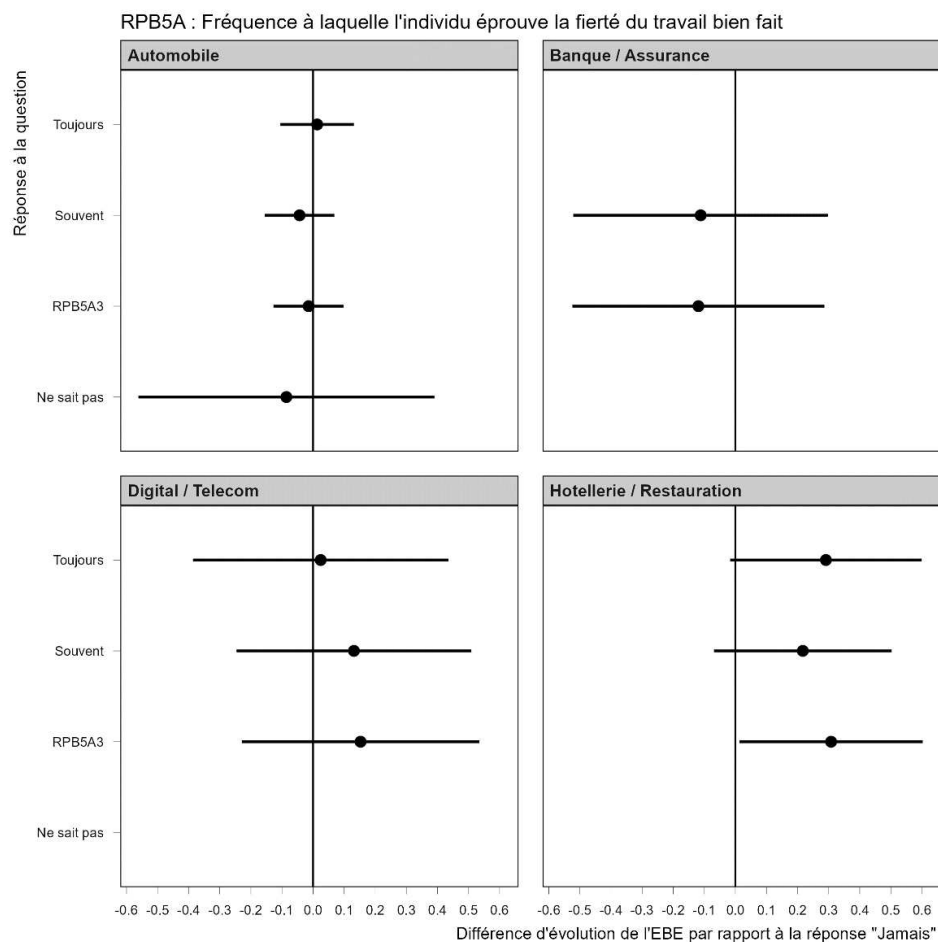


RPA1C : Les personnes qui évaluent mon travail le connaissent bien	RPA1C: The people who rate my work know it well
Automobile	Automotive
Banque / Assurance	Banking-insurance
Réponse à la question	Answer to the question
Pas d'accord	Disagree
D'accord	Agree
Tout à fait d'accord	Strongly agree
Non concerné	Not concerned
Ne sait pas	Don't know
Digital / Telecom	Digital/Telecom
Hôtellerie / Restauration	Hospitality-catering
Pas d'accord	Disagree
D'accord	Agree
Tout à fait d'accord	Strongly agree
Non concerné	Not concerned
Ne sait pas	Don't know
Différence d'évolution de l'EBE par rapport à la réponse "Pas du tout d'accord"	Difference in the change to GOS with respect to the answer "Disagree completely"

Source : IGAS data centre for the mission, FARE WC databases



Estimated GOS change according to changes to the answer to question RPB5A



RPB5A : Fréquence à laquelle l'individu éprouve la fierté du travail bien fait	RPB5A: Frequency at which the individual feels pride in a job well done
Automobile	Automotive
Banque / Assurance	Banking-insurance
Réponse à la question	Answer to the question
Toujours	Always
Souvent	Often
RPB5A3	RPB5A3
Ne sait pas	Don't know
Digital / Telecom	Digital/Telecom
Hotellerie / Restauration	Hospitality-catering
Toujours	Always
Souvent	Often
RPB5A3	RPB5A3
Ne sait pas	Don't know
Différence d'évolution de l'EBE par rapport à la réponse "Jamais"	Difference in the GOS variation with respect to the answer "Never"

Source : IGAS data centre for the mission, FARE WC databases

2.4 Employees' feelings of being recognised and having a good managerial experience are correlated with an increase in their company's gross operating surplus, with a method that could be consolidated by more precise surveys

The approach is interesting because it makes it possible to relate subjective management perception variables to objective company performance values. However, the results of these regressions are indications about influential management factors but should be reinforced and further detailed with ad hoc surveys, such as those produced by the World management survey project. This work is indeed based on part of the DARES working conditions survey, and while the sample is representative as a whole, the truncation that has been carried out to match with the FARE base means the study loses out on representativeness.

In addition, several variables could be tested (TFP, productivity, net income, etc.) in order to better characterise economic performance. Similarly, management practices could be taken in groups allowing a more comprehensive analysis, with a method similar to that used by DARES¹⁷². Finally, regressions take no factors other than that of management to explain the GOS, which is obviously incomplete. It would be interesting to add other GOS explanatory factors to the models to better isolate the influence of management.

Once these methodological limits have been set, this study nonetheless shows a statistically significant link between progress in performance (growth in GOS between 2019 and 2020) and these two factors, which can be referred to as quality management practices factors. This link would benefit from additional more targeted studies in order to obtain more detailed results, in particular with specific questionnaires intended for this purpose.

¹⁷² *Conditions de travail, prévention et performance économique et financière des entreprises*, DARES, August 2020.

