



SGH

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Country Report:

Direct participation in Poland

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Abstract

This Report has arisen under the auspices of an international Project consortium established to pursue research and analyses in line with a "DIRECT" grant obtained from the European Commission at the end of 2016 (as a consequence of competition no. VS/2016/0305¹). The Project in question has aimed to study the scale and characteristics of the phenomenon of direct employee participation as it manifests itself at the level of the place of work (and on the basis of both existing data and empirical research).

Alongside academics from Warsaw School of Economics (SGH), the Project has participants from the UK, Italy, Bulgaria, Cyprus and Ireland. The effects of their work within the Project framework include Country Reports portraying the phenomenon in question. A comparative report is also to be drawn up.

This report therefore analyses and assesses the phenomenon of direct participation as it appears in Poland. It draws on a review of relevant literature, as well as new qualitative research carried out under the "DIRECT" Project. In the banking and food sectors what is presented here reflects the content of 8 in-depth interviews carried out, as well as one case study relating to each of the sectors.

The literature search referred to was mainly concerned with studies of relevance pursued in Poland through to the present time. However, particular emphasis was placed on presenting the results of research done at Łódź University, given the way this drew on methodology developed under an international project implemented from 1997 with European Commission funding, and likewise concerning employee participation in matters of organisational change (under the title *Employee Direct Participation in Organisational Change*).

Overall, the work contributing to this report makes it clear that direct participation – understood to involve the delegation of tasks to employees with a view to their being pursued autonomously and consulted over – is practised in Poland. However, it takes place on different scales in different sectors of the economy and spheres of the public sector. Furthermore, there are many factors conditioning how intensive the said participation turns out to be, with defined participation instruments also being applied. This is to say that there are many determinants at work here, albeit with a great deal depending on such factors as the level of automation and routine characterising the ways work is organised, the level of complexity, the means of management and the type of organisational culture present at a given place of work.

Equally, many of those we spoke to are inclined to point to barriers that limit both the dimensions and intensity of participation, and this again links very closely with the manner in which management is engaged in, the degree to which superiors appreciate the significance of joint decisionmaking, and the degree of enfranchisement of employees. The replies interviewees came up with often featured the notion known from Polish history of the *folwark* (i.e. a farm operating on the basis of serfdom), as

¹ <http://kolegia.sgh.waw.pl/pl/KES/Strony/news.aspx?NewsID=31f2169d-50d5-413d-9169-7012385b953e&ListID=56b75eaa-6563-4cea-9b83-dff711f2fdc9>

they described the model of management pertaining between superiors and employees. Naturally, this is characterised by a highly hierarchical form, and unidirectionality in decisionmaking. However, the terms old and new schools of management also make their appearance, with it being made clear that the so-called "old school" means directive methods, a kind of imperiousness and distance, while the "new" one symbolises participation, openness and cooperation.

Studies reveal many places of work in which participation is becoming a means of daily functioning where undertaken activities are concerned. This is therefore a process of steady departure from the old "serfdom" that emphasised the yawning gap ever present between superiors and subordinates, given the different places occupied in the professional hierarchy.

Research further shows how the concept and practice of participation is gradually permeating through many different sectors and types of enterprise. This reflects the operation of many factors and phenomena acting and ongoing *i.a.* in the economy. It also reflects the growing level of education across society. First and foremost, participation – as a means of management – is coming to be perceived ever more clearly as a factor capable of influencing competitiveness; hence the emphasis on it being pursued actively, as well as merely honoured in theory or on paper. Indeed, participation can be perceived as a source of innovation, and as better use being made of human capital.

In any case, more and more enterprises are inclined to encourage a situation in which many or most of their staff are highly qualified, and inevitably engaged in work of considerable complexity by its very nature requiring a few select employees to work effectively on their own. These are obviously ideal circumstances for participation to be engaged in actively, possibly even because it is essential. Moreover, good conditions for participation are expected by employees themselves, most especially those of the youngest generation just recently taken on.

Key words: employee participation, industrial relations, management, the economy, sociology, public policy

Introduction

Direct participation at the place of work is a complex phenomenon, if one that gains broad discussion within various disciplines ranging from studies on the organisation of work, via sociology and industrial relations, through to management science and economics.

In the Polish language there are in fact many synonymous terms that seem more widely understood in society as a whole than what is ostensibly the closest word in Polish to the English “participation”, i.e. *participation*. Poles are inclined to make use of such terminology as *współdecydowanie* (that is co-decision), *zaangażowanie* (engagement or commitment or inclusion), *uczestniczenie* (taking part), *współuczestniczenie* (co-participation), *współudział* (joint participation) and *współkreowanie*² (i.e. co-creation or joint shaping of something).

This leaves little doubt that resort to *participation bezpośrednio* as a means of expressing “direct participation” implies a phenomenon assumed to be present in business, but also in public enterprises or bodies, and indeed social ones. That leaves as matters for investigation the form in which this process occurs, as well as the scale on which it is practised. Beyond that, there is the question of governing rules and regularities. Some academics in fact point to a series of determinants of direct participation, i.e.:

- national culture – affecting employees’ attitudes and behaviour as in particular conditioned by the “distance” felt to be present between those in authority and others, as well as the degree to which uncertainty tends to be avoided,
- the level of competition in the economy – its scale, and hence the need to raise efficiency of operations in an enterprise, by engaging employees in a co-decision process,
- the level of unionisation – direct participation may well be conditioned by the level of indirect participation, which is to say the strength of worker representation in the traditional sense³.

Beyond these, factors that might affect the way participation is engaged in are sector of the economy, size of firm, and strategies pursued in regard to activity and management (Szelągowska-Rudzka 2016: 49-50).

For her part, Szelągowska-Rudzka used a review of the literature in generating a classification of the determinants underpinning direct participation. She pointed to internal factors present at the level of the place of work, as well as those external to it. The former included firms’ action strategies, organisational factors, the organisational culture and the style of management (including of human resources), the attitudes and expectations of employees, and financial conditions. In contrast, the second group of (external) determinants were taken to include the specifics of the given business sector in which the organisation is operating, competition, national culture, technology, and factors of a legal, social and economic nature (Szelągowska-Rudzka, 2016b:184).

H. Knudsen points to factors occurring at the level of the individual place of work (Knudsen 1995: 23), creating the concept of what he calls the workplace regime. This is taken to denote the scale or depth of participation resulting from the relationship or

² *Słownik synonimów* (a dictionary of synonyms) at <https://synonim.net/synonim/partycypacja>

³ In the opinion of Rudolf, this “usually (...) paves the way, or creates a favourable climate, for the development of direct participation”. He further considers that the intensity of employee participation in management is served by the existence of legal regulations concerning employee representation in enterprise bodies (Rudolf, 2012, p. 14).

proportionality between a unilateral approach to decisionmaking on the part of the employer, the impact of collective arrangements, the intensification of conflict, a generally-understood joint participation of employees, and the impact of state regulations laying down how extensive employees' rights vis-à-vis their places of work may be. In line with the proportionality existing between the above factors, the workplace regime may be dominated to differing extents by unilateral action on the part of the employer, or else limited by the impact of collective agreements, and be saturated to varying degrees by activeness on the part of employees.

The genealogy of the direct participation phenomenon can also be considered. In S. Rudolf's opinion, what first emerged was a reference to indirect participation (via representatives). DP in turn took shape in line with a growing need to make use of employee intellectual capital at a time when work was becoming ever more complex. Employers then felt compelled to "seek out new sources of competitive advantage for enterprises, including those deemed to lie in the hitherto-unused, but actually huge intellectual potential present among employees".

A further factor was that attitudes and behaviour on the part of employees also changed, not least because the latter tended to come to work better and better qualified. "As a result, the stereotype of the primitive worker gave way steadily to one of the thinking employee, capable of creativity and entrepreneurship" (Rudolf 2014: 50).

J. Summers and J. Hyman point to three groups of factors contributing to the emergence of direct participation, i.e. to factors that are:

- economic (employers' aspirations regarding increased efficiency, the better servicing of clients, and cost reductions – for example through reduced absenteeism),
- social (e.g. improved attitudes on the part of employees),
- governmental (a rise in economic efficiency across society as a whole) (Summers and Hyman 2005: 8).

The social reasons for engagement in participation are linked with the emergence of the idea of democracy in industry. Arguments on the part of the state in turn reflect a conviction that the whole of society can draw benefit from the process. This reflects possible easing of social conflicts and encouragement of social integration, raising of the level of effectiveness in the economy as a whole, and of course stabilisation of industrial relations, and so on.

Many authors have also stressed further factors behind the increased significance of participation. Those factors are *inter alia* said to relate to an increased demand that the desire for human dignity should be addressed. Apparently, people also experience a growing need to draw satisfaction from their work. Add to that phenomena encouraging the desire for a different distribution of power across society, as well as further important factors in the shape of an increasing role for political democracy, the introduction of rules for a fairer distribution of income and interest in increased efficiency in enterprises (Mendel 2001; Skorupińska 2015).

Defining direct participation

To be found below is a definition of the phenomenon of direct participation that draws on the Project framework relating to *Employee Direct Participation in Organisational Change* – as funded by the European Commission. It is within this framework that the European Foundation for the Improvement of Living and Working Conditions carries out

empirical and quantitative research in 10 EU Member States (EPOC Research Group, 1997)⁴.

Within the framework of research conceptualised as broadly as this⁵, direct participation came to be defined as superiors' delegation of tasks for autonomous implementation among individual employees, or groups thereof. A further form of direct participation entails consultations with individual employees or groups. Indeed, the work overall identified 6 forms of participation, i.e.:

- individual consultations of the face-to-face type,
- consultations of the 'arms-length' type,
- permanent consultative groups,
- temporary consultative groups,
- individual task delegation to an employee,
- task delegation to a group of employees.

In other words, participation basically assumes an increase in the level of autonomy enjoyed by employees as they carry out tasks in their posts at work.

In Poland, a series of studies have in fact been pursued on the basis of EPOC Project methodologies. In the main, these are the work of sociologists specialising in labour relations; on the basis of samples of various sizes. The largest study was in fact a 2011 one based on 254 enterprises⁶. The authors at the same time made comparisons with the results of EPOC work on participation in 10 other EU Member States (K. Skorupińska)⁷. In the EU countries overall, participation was to be found in 82% of the studied private- and public-sector entities.

On the scale of all sectors of the economy studied, there is at least 1 of the 6 aforementioned types of participation taking place in 79.9% of enterprises. However, the co-author of the work concludes that although "the result points to the quite widespread use of participation, its intensity is low (with organisations most often applying just two forms at the same time)" (Skorupińska 2013: 323). In fact, only 7% of entities have participation practised in all its forms.

Participation is engaged in more often in the services sector than in industry (for example being at a noticeably low level in the construction sector). It is in turn most practised in the commercial sector (in 85% of cases), as well as in institutions of the public sector (specifically healthcare and social welfare, 86.4%), in public utilities (85.7%), and in banking and insurance (85.7%) (see Table).

⁴ EPOC Research Group. 1997. *New Forms of Work Organization - Can Europe Realise its Potential?* European Foundation for the Improvement of Living and Working Conditions, Dublin.

⁵ The study took in 10 countries. The questionnaire was completed by the managers of 192 firms in selected sectors of the economy.

⁶ Research within the framework of the *Rodzaje, zasięg i ekonomiczna efektywność bezpośrednich form partycypacji pracowniczej w Polsce na tle starych krajów UE* Project funded by the Ministry of Science and Higher Education of the Republic of Poland.

⁷ Research from the years 2011-2012 (Łochnicka) commissioned by 58 enterprises located in one voivodeship; 2007 research commissioned by 188 enterprises from one voivodeship (Moczulska); 2006 research commissioned by 62 Polish enterprises (Piwowarczyk); research carried out in the years 2012-2013 commissioned by 82 enterprises from Lubelskie, Łódzkie and Świętokrzyskie voivodeships) (Łochnicka); research carried out in 2003, commissioned by 240 enterprises (Widerszal-Bazyl and Warszewska-Makuch).

Participation gained most frequent application where studied entities had between 200 and 499 employees, while it was applied least (though still in 70.6% of instances) among those with more than 500 employed. Form of ownership did not influence the level of participation significantly, however.

Those more fully engaged in participation tended to be employees that could be described as specialists. Only to a lesser extent were their consultations with those involved in firms’ basic operations (i.e. production, distribution, transport or warehousing).

Unsurprisingly perhaps, those involved in participation were much more likely to be people taken on to deal with tasks of a higher level of complexity. Less likely to participate were those whose work was of a more routine, repetitive nature. Similarly, participation might be met with more frequently in entities more demanding when it came to employees’ qualifications.

Among the 6 forms of participation identified, it was the individual delegation of tasks that proved to be practised most regularly, as followed by individual-level consultations.

Between Poland and the EU

It is worth making certain comparisons between the results of research carried out in 10 other EU Member States, and in Poland, though it needs to be recalled that this work spans quite a number of years overall (1997-2011). Nevertheless, the greater part of the results are comparable. In Poland, participation in at least one form is characteristic for 79.9% of organisations researched, while in the 10 other countries studied, that figure is only slightly higher – at 82%. Contributing to this average are figures of 90 and 87% in The Netherlands and France respectively, with Portugal and Spain at the other end of the hierarchy with respective results of 61 and 65%. The Polish result thus emerges as rather close to the EU average, even if it is clearly less favourable than those describing the countries doing best of all. In this regard, Portugal and Spain can be seen to have a notably depressing effect on the overall EU outcome.

In Poland, the widest application among the 6 forms of DP again characterises individual-level delegation and consultation. Indirect consulting is only present here at a below-average (26%) level, as compared with in the other EU Member States, where as many as 40% engage in this kind of practice.

Table 1. Poland as set against other EU Member States in regard to the scale of application of direct participation in at least one of its forms.

Country	% of workplaces with direct participation
Poland	80
The EU	82
France	87
Germany	81
Italy	85

Ireland	82
<u>The</u> Netherlands	90
Portugal	61
Spain	65
Sweden	89
United Kingdom	83

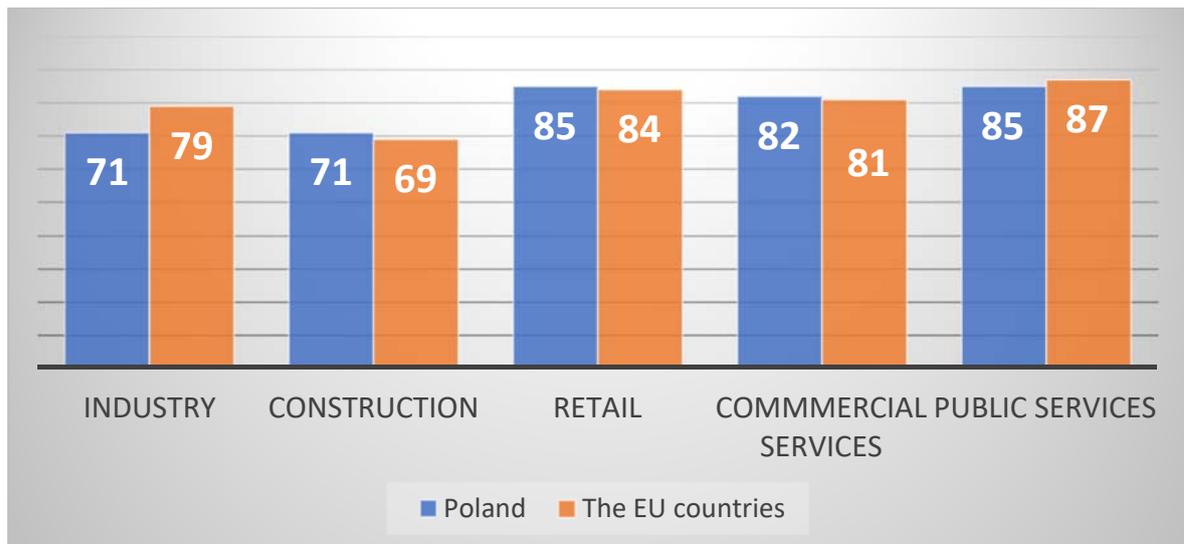
While 7% of entities in Poland apply all forms of direct participation, the figure for the EU is 4%. In turn, the 38% of entities in Poland using the group form of participation compares with 36% in the EU. The latter result is mainly weakened by the situation in Spain and Portugal.

Table 2. Percentage share of establishments practising direct participation, Poland, the EU

Number of forms of participation in place	Percentage of establishments practising direct participation	
	Poland	EU Member States
One form	20	23
Two forms	24	25
Three forms	17	22
Four forms	21	16
Five forms	11	10
Six forms	7	4

Source: K. Skorupińska and S. Rudolf, 2012, Bezpośrednie formy partycypacji pracowniczej. Polska na tle starych krajów Unii Europejskiej, Wyd. Uniwersytetu Łódzkiego, Łódź, p. 94.

Fig. 1. Direct participation across the public and private sectors in Poland and the EU as a whole



Source: K. Skorupińska and S. Rudolf, 2012, *Bezpośrednie formy partycypacji pracowniczej. Polska na tle starych krajów Unii Europejskiej*, Wyd. Uniwersytetu Łódzkiego, Łódź

The authors of the Polish research have taken account of the correlation between intensity of participation and the nature of the place of work involved. Several professional categories have thus been distinguished, with operational staff (involved in manufacturing, in transport, warehousing, etc.), service personnel and those in commerce or marketing, and specialists.

The first of the aforementioned groups emerges as only relatively rarely involved in the decisionmaking process surrounding the place of work as such. Similar results were obtained with the EPOC European research. In contrast, a different situation applies to the category of employees who are service personnel, or involved in commerce or marketing, given that these were much more likely to be involved in joint decisionmaking. In turn, it was specialists – as the best-qualified staff – that participated to the greatest extent of all (Rudolf 2014: 56).

The work done in both Poland and other EU Member States has pointed to a significant correlation between the scale of participation and the complexity of work being done. There is markedly more frequent participation where employees engage in more-complex work, as opposed to where work is routine, or simple, or in essence repeatable. And both Poland and the other EU states feature a correlation between qualifications and the scale on which participation takes place.

A key dimension of the work revolved around the subject-matter of participation. According to the Polish research, individual consultations were most often run to consider matters of training and professional upskilling, as well as the quality of products and services. Only more rarely did such consultations relate to health and safety, contact with clients, or the organisation of work. At the same time, the EPOC work showed that it was the manner of organising work that was consulted on most often.

In the view of Rudolf, the fact that training is the most frequent subject of participation in Poland makes the limited scope of the process clear, notably given other studies that show how relatively rarely training is in fact organised. In turn, the results were similar when it came to the nature of group consultations, with the subject matter (in both studies) more often being the organisation of work.

It is interesting how research points to better results for participation in the 10 other EU Member States studied by EPOC, as opposed to in Poland. Among the 8 outcomes analysed, only two prove comparable in the case of Poland (i.e. raised efficiency of work and improved quality). In other cases, values to be noted here were many times lower than those obtained in the EU research.

As Rudolf notes: "the effects of direct participation are rather limited in Poland. Hardly any growth in productivity has been noted, nor any reduction in absences or in the numbers of employees of managerial staff" (2014: 62). Rudolf also emphasises the major difficulties that the development of direct participation in Poland may encounter. And relevant EU Directives are not likely to help much with this, either. It is, for example, notable how directives proved of no help in the matter of employees' councils. In contrast, factors that might truly aid development include the support of social partners (a readiness to implement different forms of participation). Further influential factors might be growing competition, higher levels of education and qualifications among employees, and a will on the part of employers to make use of the methods in question in firms' operations. The role of the state may also be important, if a climate favouring the pursuit of promotional programmes makes its appearance (2014: 63).

For her part, K. Skorupińska anticipates a steady development of direct participation in Polish organisations. The expectation is that this will be forced through by growing competition on the market. But the rate of development will above all depend on how many employers prove ready to implement. In any case, the intensity and stability of functioning of the process are "dependent on employees and their willingness to participate in the different forms." (2013: 332).

Other studies

A series of other studies carried out in Poland give rise to potential conclusions on the forms and scale of direct participation. This is true of frequent phenomena that may link with non-representative participation, at least indirectly.

It is worth considering the research in the context of the *Pracujący Polacy [Working Poles]*⁸ series. This *i.a.* revolves around regular meetings bosses organise for their workers, as well as the opinions the latter express in regard to their access to up-to-date information on the situation of the firm they work for. The research in fact has 55% confirming that information meetings are organised, with these allowing each employee to ask a question or put forward a proposal (Czarzasty, 2009: 398). Meetings of this kind are seen to occur most frequently in large, state-owned firms, while they are rarest (on 44%) in private Polish firms of intermediate size.

46% of employees claim to have an influence on decisions relating to their posts⁹, while on average some 30% consider the companies they work for as heeding the postulates of Corporate Social Responsibility (CSR). In turn, 64% of interviewees opined that their firms are supportive of freedom, originality and innovation, while 76% consider their duties in the place of work are performed in circumstances of subordination and a

⁸ This work commenced in 2005, while the results gained publication in *Polacy pracujący 2006*. Research took in 1021 inhabitants of Poland in work and of adult age (18-65 years). Further research was carried out in the following year.

⁹ J. Gardawski, *PRACUJĄCY POLACY 2007*, Lewiatan, Warsaw, p. 31.
http://konfederacjalewiatan.pl/upload/File/2007_09/Pracujacy%20Polacy%202007%20-%20raport%20do%20druku.pdf

requirement that orders given at work are obeyed and carried through to the letter. In the largest enterprises, the latter figure in fact exceeds 90% (Czarzasty, 2009: 398.). Jan Czarzasty sums up his data by noting that: "the organisational culture of firms operating in Poland bears the clear hallmark of authoritarianism" (Czarzasty, 2009: 402).

On the plus side once again, the two editions of the research carried out in 2006 and 2007 show that as many as 75% of employees feel that their superiors (in certain segments of the economy) do take some notice of their opinions.

Research has also involved the phenomenon of "consultation" at the level of the individual place of work – as that may be conceived broadly. This kind of participation is declared by 75% of employees, though these at the same time claim that only matters of lesser importance are involved, as opposed to things to be thought of as really significant. In any case, this kind of things happens more extensively in state-owned firms and those with foreign capital invested than in Poland's private sector (Gardawski et al 2010)¹⁰.

Other research by J. Gardawski from the years 1999-2000 (concerning SMEs) shows that 28% of employees have an influence on the organisation of labour. The research in question also sought the opinions of employees on the subject of participation and influence. No fewer than 81% of interviewees noted that employee participation had or was a harmful influence, with 47.5% claiming that it makes governance far worse¹¹. Somewhat ironically, the same view is held by 40% of employees themselves. 45% of firm-owners think that employees are not interested in participation, while if they are, it is because earnings or their own direct responsibilities and duties are involved¹².

Table 3. Employees and employers on matters of participation (%).

Matter			Entrepreneurs on the influence of employees on decisionmaking taking place in their firm
	Should have	Actually do have	
Promotion to supervisory posts	53.4	7.0	8.8
Layoffs of employees	32.3	6.0	15.1
Deciding on production plans	29.8	7.0	8.8
Determining directions of development of the firm	27.6	4.5	5.0
Determining remuneration rules	52.7	7.1	21.3
Social issues of the team	83.0	28.1	56.3
H&S conditions	87.4	39.0	66.3
Organising work	71.9	27.8	45.1

Source: Gardawski J., 2001. *Powracająca klasa: sektor prywatny w III Rzeczpospolitej*, IFiS PAN, Warsaw, p. 211 (research under the heading *Pracodawcy i pracownicy firm prywatnych '99'*, interviews with owners of firms, N=80; interviews with employees, N=633).

¹⁰ Juliusz Gardawski, Jacek Męcina, Jerzy Bartkowski, Jan Czarzasty, 2010, "Working Poles and the Crisis of Fordism", Scholar, Warsaw.

¹¹ Gardawski J., 2001. *Powracająca klasa: sektor prywatny w III Rzeczpospolitej*, IFiS PAN, Warsaw, p. 210.

¹² The participants in the study were owners of firms employing up to 250 people.

The work thus makes it clear that employees would rather anticipate clear orders from their superiors than involvement in the decisionmaking process.

For her part, Marta Moczulska did research ultimately presented in 2011. This took in both managers and subordinates in 188 enterprises operating within Lubuskie voivodeship and employing at least 9 people. In this case, the factors selected for study by the author were:

- individual participation (way of performing tasks, scope of obligations in the post, influence on the manager's management style, choice of forms of remuneration, choice of place and hours of work),
- group participation (group organisation of work, team meetings, quality circles or autonomous groups),
- content-related elements of the process of co-participation in decisionmaking (e.g. level of participation therein, stages to the decisionmaking process in which employees are included, the degree to which participation is voluntary, and results)
- factors conditioning interviewees' decisions to engage in participation,
- the ways in which enterprises operate (structure, means of pursuing tasks).

Research homed in on the issue of participation as such. Interviewees felt that issues most necessitating participation revolved around how tasks were to be carried out; improved working conditions, and the planning and organisation of work; as well as the division of labour between employees. In turn, issues considered least likely to warrant participation included investment planning or the allocation of an entity's profits.

The research results do not prove conclusive in many of their aspects. 60% of employees considered that they played no part in decisions of importance to them. Co-participation in decisions on the implementation of defined tasks was linked with far-reaching instructions (as to the ways in which tasks should be performed, the time taken to complete them and expectations regarding outcomes, for example) (2011: 91). Involvement of employees in all this was considered to entail their having information on tasks performed that their superiors lacked.

Almost 90% of managers perceived the benefit of their subordinates participating. And yet, in the opinion of a majority of them, this did not improve relationships, or the quality of decisions taken, and nor did it help to limit absenteeism.

In firms, participation is associated with increased commitment at work, understanding of the reasons for activity and an improvement in the flow of information.

Two studies pursued by Dorota Łochnicka¹³ were based on rather limited circles. In the first, she obtained 58 questionnaires from enterprises operating within Łódź voivodeship. In the second, analysis was based on questionnaires filled in by 83 interviewees (between 2012 and 2013) in Poland's Łódzkie (Łódź), Lubelskie (Lublin) and Świętokrzyskie voivodeships.

In the case of the latter research, questions posed in questionnaires included those dealing with management attitudes to participatory governance methods, the level of control exerted over task implementation, the inclusion of employees in decisionmaking, the motives underpinning the introduction or non-introduction of participatory labour methods and the outcomes of participation.

¹³ Some texts from this author were under the name Pałubska.

In the firms studied, the simple forms of participation pursued most often were regular meetings with employees (63.9%), broadening of the scope of tasks employees carried out (51.8%), and the rotation of activity in the given post (50.6%). As the author wrote at the time, these forms of direct participation have more to do with counteracting monotony and boredom at work than with real joint decisionmaking. Only a few firms apply the methods collectively known as work enhancement, and taken to denote the conferment on employees of planning and managing entitlements, with consequent raising of levels of responsibility and even accountability for tasks carried out (Łochnicka 2013: 163).

In 40% of firms studied, group forms of participation were engaged in, including the setting up of teams to solve problems, as well as project groups. Autonomous groups are called into being in 8.4% of firms. The work shows that a firm's management mainly seeks employees' opinions (individual or collective) so as to raise the quality of products and services (66.3%), to improve contacts with clients (61.4%) or to enhance safety at work (54.2%). Only to a lesser extent (in 26.5% of cases) does participation take in decisions relating to investment.

Table 4. Forms of participation

Forms of participation	Percentage of firms applying the method
Regular meetings between employees and their immediate superiors	63.9
Expanded scope of tasks	51.8
Rotation of activities in the post	50.6
Problem-solving teams	39.8
Project groups	38.6
Enrichment of work	36.1
Studying employees' opinions	21.7
Autonomous groups	8.4
Quality circles	3.6

Source: Pałubska 2013, p. 164.

Few entrepreneurs offer a very positive assessment of the participation. A decided majority in fact assess effectiveness as moderate only.

Summary

Researchers draw different conclusions from the research carried out and observations made. In the view of Dorota Łochnicka¹⁴, the real level of participation in Poland remains low, even though there is now an awareness of the economic benefits that may accrue. Indeed, the research sustains the claim that: "many enterprises concede that they prefer a centralised system of governance, and consider decisionmaking to be a domain for managers, not employees" (Pałubska 2013). The level of application of participation is regarded as inadequate in the face of the high levels to be noted in countries like the USA, Japan and Western European states. "It would seem that employers continue not to regard their employees as source of potential ideas that could lead to their firms' performing better" (Pałubska 2012)¹⁵.

¹⁴ Dorota Pałubska (maiden name).

¹⁵ D. Pałubska, 2012, Participative forms of work organization as a source of intrapreneurship in a company, International Journal of Business and Management Studies, Vol 4, No 1. It seems that employers still do not

The overtone to many studies is that employees are not especially eager to become involved in matters of their enterprise, while Polish managers are not very willing to allow them some kind of joint participation in decisionmaking (Beck-Krala, 2008: p. 95).

consider their workers a source of the potential ideas, which can really lead to the improvement of economic results of the company” (Palubska 2012)

II. Direct participation and the model of industrial relations. The trade unions in the face of participation

Publications concerned with industrial relations point to the existence of different types of correlation between the presence of trade unions and the scale of organisational participation (Ackers et al. 2004.). This is hard to characterise precisely, but has aroused the interest of researchers. Considered in this context is the degree to which (from an employer's point of view) participatory projects in firms are actually founded to weaken or undermine unions, or else to involve unions in actions that introduce greater accountability, and to encourage them into a better understanding of the complexity of a firm's operations. In fact, questions of a similar nature appear from the trade union side as well (Ackers et al., 2004: 20).

While direct employee participation is a way of involving workers that need not involve unions, some researchers still analyse the correlations between the strength of trade unions and the scale of direct participation (Szelągowska-Rudzka 2016:). Some international studies have also focused on the correlation between direct participation and the number of trade unions in a given enterprise.

In analysing such international research, Szelągowska-Rudzka noted that: "For example, the level of unionisation is a factor favouring participation in such countries as Japan and Finland, while proving unfavourable in the USA (Radomska, 2010, pp. 105—106), and in Poland (Cierniak-Emerych, 2012, pp. 107–108, 124–127; Moczulska, 2011, pp. 15–16). (Szelągowska-Rudzka 2016:)

Ackers et al. show how, in the UK for example, interest in initiatives to involve employees grew in the 1980s and 90s, *inter alia* thanks to fears regarding the influence exerted on product quality and the servicing of the client. However, this did not lead to any revitalisation of the unions (Ackers et al., 2004: 20).

In the view of the aforementioned scientific worker S. Rudolf, the trade unions in Poland are sceptical about – or even opposed to – direct participation, given that they do not act as intermediaries in this form of participation (S. Rudolf).

In turn, qualitative research conducted in Poland under the "DIRECT" Project reveals a mixed picture when it comes to unions' roles in the development of direct participation. Interviewees from the unions themselves say that direct participation is of significance to them, and they do seek to incline managers to share some of their powers and involve employees in the decisionmaking process. However, many other utterances indicate that the unions probably place different emphases on the encouragement of direct participation, given that by its very nature it entails a direct relationship taking shape between boss and worker. On the other hand, from the structural point of view, they certainly feel responsible for greater enfranchisement of employees, *inter alia* through moderation over differences between the managers' positions, and those of ordinary employees.

Some interviewees lacked a crystallised opinion on the influence of union presence and activity on participation. Those from outside the movement indicated that links with their activity at the level of the place of work was most often limited to the basic function, i.e. activity in defence of the rights of workers to appropriate remuneration, leave, safety at work and so on. Managers were inclined to state that unions focused too much on pay claims, when they could also operate effectively in the name of participation. "Their main area of operation is defending against layoffs. All their training is in how to oppose things. Away from that they don't bring much to the table, and they are not able

to understand today's world". Another interviewee noted that unions forced participation, albeit in a fragmentary way, in the areas concerned with union activity in the place of employment. The impact did not take in the activity of banks in all its complexity, or all spheres of operation. A further interviewee claimed that trade-union activity was confined to the negotiating of motivation systems and bonuses.

Somebody else stated that unions did not represent the whole workforce and were not in a position to encourage an atmosphere of participation. "I saw that there were unions, but their membership was usually just a trace. Unions came into being more to protect groups of workers threatened with layoffs, or even individual workers. They become active in times of threat".

A union representative pointed to efforts to organise so that employees could have as much influence as possible on the processes underpinning their work, and as much autonomy as possible when it came to the performance of that work. A union activist from the spirit industry noted that: "unions in my firm often play the role of go-betweens, between the employer and employees, when it comes to task delegation. They encourage workers to get involved in projects linked to the development of the firm, as well as involvement in the community".

A union activist from a food-industry firm claimed that the unions were very much for the widest possible employee participation. "It's not just higher wages that we want. We meet with representatives from HRM and with those in charge of output, and we present our ideas on how participation can be strengthened".

Nevertheless, a question of key theoretical relevance does revolve around trade-union attitudes to participation, given a reasonable assumption that their involvement in DP is actually limited. On the one hand it may be that unions are too weak to extend much support to participation. On the other, they may be too adversarial in their attitudes towards Boards to allow for any partnership in resolving issues linked to the organisation of work.

1. The history of the trade union movement gives credence to a thesis that the main union focus has been on matters directly relevant to workers' interests (job protection, levels of remuneration, etc.). After all, they were operating in difficult circumstances, with levels of unemployment often high, with confrontation characterising relationships in the workplace, and with structures usually proving highly politicised. The effect was to instil a feeling that influence was transient at best.

Presented – very concisely – below is key information on the trade union movement in Poland, whose history might be seen as quite specific, when set against the circumstances in Western Europe. In the CEECs, organisations representing workers' interests only appeared at the start of the 20th century, with this reflecting backwardness in this region's development (Czarzasty and Kulpa-Ogdowska 2006: 5). In particular, industry and urbanisation had only progressed to a limited degree up to that point, with economies continuing to depend on agriculture.

The pre-War period was characterised by severe political division¹⁶. Part of the movement became very much subordinated to those in power, and this trend was in fact maintained after 1945 – through to the time of communism's fall in 1989. A brief interval was noted in Poland in the years 1980-81, when a first truly-independent trade union movement – interested in workers' rights – arose in the shape of the renowned "Solidarity" (i.e. the *Niezależny Samorządny Związek Zawodowy*

¹⁶ K. Stegmann, *Polskie związki zawodowe, a zbiorowe prawo pracy do roku 1989*; M. Świącicki, *Instytucje polskiego prawa pracy w latach 1918-1939*, PWN, Warsaw 1960; S. Ajzner, *Związek Związków Zawodowych 1931-1939*, Książka i Wiedza, Warszawa 1979; S. Kalabiński (ed.) *Ruch zawodowy w Polsce : zarys dziejów*. vol. 2, 1918-1944, Instytut Wydaw. CRZZ, 1974.

Solidarność). However, this development had the ultimate effect of provoking confrontation with the authorities in all areas of life, with the response being the imposition of martial law and formal elimination of *Solidarność*. This merely drove the movement underground, and pushed it into becoming far more politicised than it otherwise might have been. The focus soon became “taking on” those in authority.

Once the Eastern Bloc fell in 1989, the trade union movement had the chance to operate under a democratic system in which there was freedom to run a business. The effect was a split into two, and then three, strong centres of differing political alignment (with only one declaring itself apolitical). This led many union leaders to act directly within the framework of political parties. Indeed, trade union circles also formed (both left- and right-of-centre) parties of their own. The emphasis on employment issues within their agendas was limited by this stage.

In 1997, the Solidarity (*Solidarność*) trade union founded a separate Electoral Committee along with right-of-centre political parties whose economic manifestoes were very liberal in nature. The latter were able to win the election and form a government, while a strong political position was long maintained by a second centre of union activity associated with the heir to “the Party” (i.e. the Polish United Workers’ Party) that had governed in the era of the People’s Republic of Poland.

It was only after the year 2000 that the political role of trade unions declined. The linkages with parties were in fact maintained, but the direct power capable of being exercised had become limited. Post-2015, *Solidarność* regained some of its power, as it supported the right-of-centre party in power, which gave its real support to some of the demands of the unions, and actually went on to put some of them into effect.

The politicisation of the trade union movement is a key feature with its own historical conditioning, though also connected with specific features of Poland’s political scene. The main political formations create large blocs that seek to tempt unions and their members with future benefits in return for access.

2. The fall in the level of trade-union membership. Since 1990, the trade unions have been losing strength, at least as defined by their membership base. Poland resembles other countries in this region in having experienced an unprecedented decline in membership. This has been well-documented. Since 1995, rates of membership in Poland have fallen from 33.0% to 11.0%. In turn, in Hungary the decline was from 63.0 to 17.0%, in the Czech Republic from 41.0 to 13.0%, and in Slovakia from 57.0 to 9.0% (Ost 2009 and Eurofound 2017). The position of unions has also weakened in regard to the number of collective agreements entered into, as well as the capacity to pursue ideas on industrial democracy, i.e. participation in management in the economy (with workers represented on Boards).

Table 5. The unionisation rate, Poland

<i>Year</i>	<i>1991</i>	<i>2000</i>	<i>2002</i>	<i>2007</i>	<i>2008</i>	2013
	28%	20%	18%	14%	16%	9.9

A. Mrozowicki, V. Pulignano and G. Van Hootehem, Worker agency and trade union renewal: the case of Poland, *Work, employment and society* Vol. 24, No. 2, June 2010; http://www.cbos.pl/SPISKOM.POL/2013/K_062_13.PDF

The unions have thus passed into a major crisis, whose sources S. Crowley (2004: 398)¹⁷ has perceived in:

- corporatism of an illusory nature (with state and employee authorities able to achieve dominance over unions),
- competition between unions,
- high unemployment,
- the eschewing of any potential building of a "common voice" in favour of individual strategies to evade the problems of the labour market, plus escapes into the informal economy,
- the legacy of communism,
- the intensity of the unions' political connections after 1990.

3. The model of capitalism. As was noted above, the trade unions did not adapt well to the new political and economic conditions in Poland after 1990. This *inter alia* reflected the shaping of a model for the functioning of the state and economy that did not favour activity – and the exerting of influence – by trade unions.

In Poland it was a statist model of public governance and economic governance that took shape, in line with many historical factors. This ensured that trade unions and other entities in public life continued to play little or no partnership role in the determining of solutions to public problems. What is more, they had only limited opportunities to achieve their own goals, like an increased scale for collective agreements or the strengthened protection of employees' rights.

The statist model of public governance also exerted its influence on the model of industrial relations. The latter was a consequence of a specific positioning of the CEEC economies in the circumstances of globalisation and Europeanisation. The key feature was a strong influence of foreign capital in the circumstances of very severe unemployment, organisational weaknesses in the world of work, low-level labour standards and low pay (Bohle and Greskovits 2006). This amounted to subordination of interests as regards the world of work to those of large capital groups (mostly foreign), whose overriding interest was in low labour costs.

The model of capitalism was also relevant to industrial relations, as some academics described it as dependent capitalism. Its consequence was a focus on the lowering of pay and labour standards, in the hope that capital can go on being attracted.

Table 6. Degree to which collective labour agreements are ubiquitous in a given economy

State	Ubiquitousness of collective agreements (%)	Key level at which collective agreements are entered into
France	98%	Industry and company
Austria	95%	Industry
Finland	91%	National

¹⁷ Crowley S. 2004. Explaining Labor Weakness in Post-Communist Europe: Historical Legacies and Comparative Perspective, *East European Politics and Societies*, Vol. 18, No. 3, pp. 394–429.

Italy*	80%	Industry
Croatia	61%	Industry and company
Germany	59%	Industry
Cyprus	52%	Industry and company
Ireland*	44%	Company
Czech Republic	38%	Company (also some industry)
Slovakia*	35%	Company (also some industry)
Hungary	31%	Company (also some industry)
Bulgaria	29%	Company
UK	29%	Company
Poland*	14-18%	Company
Greece	10%	Now almost exclusively company, because of legislative changes
EU average	60%	

Management style and participation

Also needing a mention among factors influencing real scope for participation are styles of leading the place of employment, or management. These impact upon the range of opportunities superiors feel they have as tasks are delegated, consultations run and certain powers shared (Szelągowska-Rudzka 2014: 260-61)¹⁸.

The subject literature points to a series of different styles. For her part, Szelągowska-Rudzka draws a distinction between an autocratic style (where superiors take decisions unilaterally), and others that are consultative (in which superiors invite subordinates into different stages of the decisionmaking cycle, but of course make the decisions themselves) or even democratic (whereby subordinates are invited into a group decisionmaking process) (2014: 62). Direct participation evidently favours the democratic (participatory) or consultative styles (Szelągowska--Rudzka, 2014, pp. 363–369; Moczulska, 2011, p. 45), for it leads to the building of proper relationships and dialogue with employees (Radomska, 2010, p. 102), to the latter gaining proper treatment as entities, to mutual respect and trust (Rees et al., 2013, pp. 2785, 2792), and to recognition of employees' competence. All of this further encourages a tendency to delegate tasks for independent implementation.

Among the 6 styles of management considered, B. Bajcar and J. Babiak emphasise the participatory style, as characterised by its “inclusion of subordinates in the decisionmaking process, with scope therefore provided for them to propose their own solutions, and with an opportunity arising to demonstrate the close ties that actually exist between the parties, and the inclination to attach

¹⁸ Katarzyna Szelągowska-Rudzka, Zakres partycypacji bezpośredniej pracowników w procesie decyzyjnym uwarunkowany konsultatywnym stylem kierowania, „Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu, 2014, pp. 360-370

importance to their opinions” (2015)¹⁹. Research by the authors make it clear that this kind of thing is put into practice more regularly where firms have a share of foreign capital. ”This result makes it clear that managers in foreign firms involve employees in the firms ongoing operations, build relationships with them and make it possible for them to take decisions. This is perhaps a form of reflection of the organisational culture in the parent company” (2015: 36).

In her model, M. Moczulska points to employees themselves being a determinant in direct participation. This is in relations to the latter’s needs (mainly higher-order ones that encourage mobilisation), expectations (regarding non-material benefits to be gained. not least the meeting of needs), perceptions as regards superiors, assessments of their own capabilities and individual features (gender, education, age and number of years in the job) (Moczulska, 2011, pp. 114, 50–61).

Cultural factors and management

Many authors study styles of management, and in so doing analyse different factors that influence relationships with subordinates, including those of a cultural nature (V. Vroom, P. Yetton, A. Jago, M. Moczulska (2011, pp. 32–33, 44–46), J. Mączyński (1996), W. Daniecki (1998, p. 80), K. Szelałowska-Rudzka (2014).

In Poland, debate or discourse has always surrounded the matter of styles of management. However, an issue here – not always expressed directly – has been the extent to which this represents modernity – activity in line with the spirit of the market economy; or else is something typical for the old days (relating to directive and authoritarian ways). K. Skorupińska wrote: ”The period of economic transition has not, however, resulted in the development of participatory style of management, as Polish employers did not realize the benefits of these new forms of work organization in companies”.

Some researchers still base their diagnoses on the results of research from the 1980s initiated by Dutch academic G. Hofstede. However, similar types of study were later carried out by Robert House and Shalom H. Schwartz. The *World Values Survey* has become a further key source.

The work begun by Hofstede proceeded on the assumption that national cultures (cultural factors) provide the basis upon which styles of management are shaped, given the way that inclinations to behave in a defined way are related to the former. In accepting this approach, certain academics recognised that Polish managers differed from their Western counterparts in being more inclined to adopt an authoritarian (as opposed to a participatory) approach to decisionmaking (Jankowicz and Pettitt, 1993; Jankowicz 1999, Mączyński, 1991; Czarzasty, 2009: 402; Hryniewicz...). This style is indeed what is expected by employees (Mączyński 1991: 502). At least some researchers are of the view that this style of management reflects the impact of a long tradition of authoritarian relationships in society more widely, as well as actually confrontational relationships and an attendant low level of trust.

Hofstede defined culture and the values associated therewith as collective programming of the mind that serves to distinguish members of one group from another (Hofstede, 2001). In line with this approach, countries are considered to shape a specific orientation towards values like a psychological profile (Kuipers 2012, 31).

¹⁹ Bajcar B. and Babiak J., *Style kierowania polskich menadżerów – uwarunkowania organizacyjne*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, vol.79/2015 [Management Style of Polish Managers].

Among the above categories (dimensions), power distance in particular seems an essential factor, as it has a major potential to influence employment relations (i.e. those pertaining between employees and managers, along with the way in which mutual rights are perceived). The term thus reflects the extent to which power is distributed evenly or unevenly between the powerful elites of organisations and institutions (e.g. executives) and less-powerful members (the relationship between supervisors and subordinates). So it can to some extent define a manager's attitude to employee representation (including that at Board level). A significant degree of power distance can make supervisors think that decisions in organisations are their area of exclusive privilege.

Hofstede's study reveals the positive link between participation scores and cultures characterised by lower values for power distance (House et al. 2004: 61). The next major research study (project Globe) offered a diagnosis holding that power distance is a negative predictor of participatory leadership (and also charismatic/value-based leadership) (House et al. 2004: 45). Hayes and Prakasam likewise claim that firms in countries where power distance assumes high values show a preference for relationships that are more directive and less collaborative (1989). Dominance is thus treated as appropriate behaviour in this circumstance (Dickson et al., 2004, 83).

The Visegrád countries generally achieve high scores for power distance (Slovakia – 100, Poland – 68, the Czech Republic – 57, Hungary – 46²⁰) (scale 0-110). For their part, Germany and Austria respectively score 35 and 11, and at the same time have a long tradition of employee representation (e.g. at board level). Equally, there are countries with relatively limited power distance, like the UK (35), which nevertheless has a modest tradition of employee representation at Board level. The British tradition in IR is seen to have specific characteristics in this field when set against its continental counterpart.

According to Wood, a high value for power distance is associated with autocratic managerial styles, and centralised power (2010). A lower value — mainly attributable to liberal market economies and the developed world — denotes environments more conducive to greater empowerment of workforces (Habir and Larasti, 1999).

It is worth mentioning another analytical cultural dimension which also seems useful, and is quite close to the power distance dimension, i.e. the masculinity index. This measures the extent to which members of organisations rely on a “tough” (“masculine”) way of doing things when it comes to managing a workforce. Central Europe is usually awarded higher scores in relation to this dimension²¹.

Table 7. Index Score Estimates

²⁰ 2013 brought new research indicating a Slovak score on the power distance index that is not as high as those from previous studies. Jana Bašňáková, Ivan Brezina and Radomír Masaryk, 2016, Dimensions of culture: The case of Slovakia as an outlier in Hofstede's research, *Československá psychologie*, no.1, LX.

²¹ Nasierowski and Miłkuła did comparative research on Poles and Canadians (the interviewees being students and young managers) (1998). The power distance index was found to be very high in the case of Poland, and hence indicative of significant differences from the Canadian situation. The respective values were 72 and 39. The authors made a wider comparison with index values specific to the Anglo-Saxon cluster (33), the German cluster (27), the Scandinavian cluster (28) and the Latin cluster (60).

Country and Part	Power Distance Index	Uncertainty Avoidance Index	Individualism Index	Masculinity Index	Long-Term Orientation Index
Poland	68	93	60	64	38
Hungary	46	82	80	88	58
Czech Republic	57	74	58	57	70
Slovakia	100	51	52	100	77
Germany	35	65	67	66	85
Holland	38	53	80	14	67
France	68	86	71	46	63
Sweden	31	29	71	5	52
United Kingdom	35	35	89	66	51
United States	40	46	91	62	26

Source: (Kolman et al. 2003)

III. Organisational and regulatory frameworks for participation in Poland

In Poland, there is no specific legislation relating to the practice of direct participation in the place of work. Nor is account taken of it where collective arrangements at work are concerned. Thus, where participation does get underway in particular forms, this is dictated by solutions specific to the given place of work, including the organisational culture and main management methods – not least those relying on the participatory management method.

Neither do those in power establish the kind of action programmes that would aim to reinforce participation or some other defined model of management. Hence the issue has occupied a place on the public agenda that is not defined clearly. Certain public activity was nevertheless engaged in to achieve a degree of pressure for certain components of participatory management to be promoted. Unsurprisingly perhaps, these gained support via the EU funding made available to Poland. Selected Ministries thus announced competitions for projects that would increase the potential for cooperation between social partners at the level of the place of work, as well as professional competence profiling.

In the political class, the thinking on the economy and the labour market that prevailed was not one tending to emphasise participation. The politicians involved rather inclined towards traditional-model economic thinking, wherein the property rights of the owners of capital hold sway, alongside categories by which economic processes self-regulate (with spontaneous processes prevailing). In turn, the argumentation regarding the public sector had public offices as places of work subordinated to political masters responsible for determining their rules of functioning. This leaves employee participation regarded as a mechanism definitely secondary to others that shape operations. A key barrier to participation in Poland is thus the politicisation of the public sector.

In other words, an impact was mainly being exerted by a neoliberal approach to the understanding of the economy and the public sector. In the meantime, there were and are non-governmental and academic circles in which the significance of both direct and indirect participation is emphasised.

In contrast, the approach to participation could be influenced somewhat by instructions formulated at EU level, mostly by the European Commission. In the view of K. Skorupińska, the activity of the Commission did prove to be of considerable significance, given its promotion of the idea that employees were to be granted greater freedom of action in their places of work, *inter alia* in association with higher qualifications, greater flexibility and innovation (2013: 331; 2015: 182).

Direct employee participation may be associated as an element of the European Social Model known from the rhetoric of some politicians, experts or officials associated with the EU institutions. Indeed, the EU has long emphasised different forms of participation, including the promotion of a model for the organisation of work in which participation (indirect and direct) would be a key aspect. J. Summers and J. Hyman refer to the 1975 Green Paper entitled *Employee Participation in Company Structure* (COM [75] 150) (Summers and Hyman 2005: 13). In the view of Gill and Krieger, the European Commission first emphasised indirect participation, which arose from the early 1970s; only to go on and stress the importance of direct participation from the early 1990s onwards (Gill and Krieger 2000: 110).

The provisions acting in support of this were found in numerous EU documents (2015:182). A process of the Europeanisation of participation was mobilised, as was confirmed in the so-called Social Charter of the 1992 Maastricht Treaty.

The Commission was involved in many undertakings seeking to support the modernisation of work organisation. It came out with a series of publications in which the significance of participation was stressed. 1997 brought a Green Paper entitled *Partnership for a new organisation of work*, while the

next year one was issued under the title *Modernising the organisation of work - A positive approach to change*. In 2000, the European Commission published a Communication entitled *Government support programmes for new forms of work organisation*²². Participation was then perceived as a way of improving conditions of employment and raising the level of competitiveness of European firms.

Moreover, Commission funding was behind a great deal of research and programming activity, of which the EPOC research was of key importance²³. A debate over the topic was stimulated, and an attempt made to build new partnerships so that more productive participatory forms of organising work could be developed (European Commission, 1997). The Commission called upon the social partners to become involved in matters of participation (European Commission, 1998). Indeed, the Commission was behind the European Work Organisation Network (EWON) appearing in March 1999 and seeking to develop new forms of organisation of labour in the European Union²⁴. This has been understood as a move away from the kind of organisation of labour in which the Taylor Model holds sway, which is to say the routine implementation of imitative work in the context of tasks dictated from above. The aim here is rather for task implementation to be based to an ever-greater extent on group work, in which self-organisation also takes place (EWON²⁵ 2001).

²²<http://www.newunionism.net/library/workplace%20democracy/EWON%20-%20New%20Forms%20of%20Work%20Organisation%20-%20Benefits%20for%20Performance%20-%202001.pdf>

²³ https://www.eurofound.europa.eu/sites/default/files/ef_files/ewco/reports/TN0507TR01/TN0507TR01.pdf

²⁴ EWON, 2001, New forms of world organisation. The benefits and impact on performance, Thematic Paper Presented to DG Employment & Social Affairs, <https://www.eurofound.europa.eu/observatories/eurwork/articles/european-work-organisation-network-launched>; <https://www.eurofound.europa.eu/observatories/eurwork/comparative-information/a-new-organisation-of-work-the-eu-green-paper-and-national-developments>

²⁵ DG Employment & Social Affairs.

IV. Direct participation in the banking sector and the food industry

In the banking and food sectors, direct participation would seem to constitute one of the mechanisms by which the organisation of work is achieved, as well as a way in which to lay out the relationship between superiors and subordinates. It would also seem to be a factor influencing the results of firms' operations, their organisational cultures, and so on. The fact that the actual nature of direct participation can prove hard to encapsulate ensures that the full understanding of all of its manifestations, and the determination of the roles it may play in the place of work, can also prove problematical.

Qualitative research shows that a variety of ways of engaging in participation are visible in both of the sectors involved here, as are factors that can potentially favour application ... as well as those capable of hindering it. To be mentioned as of key importance among the former are relatively favourable economic conditions. Turnover is increasing steadily, and the level of employment in these parts of the economy is both high and stable. This denotes that mass layoffs are not typical for the sectors in question, at most there are just natural processes of adjustment associated with the restructuring of employment.

A rather high level of penetration by trade unions is to be noted in the sectors in question, as compared with others. Indeed, the tradition of union activity is quite a long one here, and the unions involved are among the largest in the country, i.e. *NSZZ Solidarność*, *Forum Związków Zawodowych* and the *Ogólnopolskie Porozumienie Związków Zawodowych*.

Trade unions are especially active in large firms in the food sector, though it is true that this mainly applies to businesses whose origins trace back to the communist era. Equally, many large plants feature competition between unions, as several within the *NSZZ Solidarność*, *Forum Związków Zawodowych* and *Ogólnopolskie Porozumienie Związków Zawodowych* frameworks may be present side by side in a given place of work. Indeed, the unions in the sectors in question have set up special Secretariats to organise the union members in these sectors specifically²⁶.

Overall, around 40% of employees in the food sector are members of unions, though at the sub-sectoral level the variation is seen to be greater. For example, 65% of those working in the sugar industry are in unions, while the figure for brewing is just 50%. These figures compare with a mere 5 and 2% respectively in the meat industry and in baking²⁷. Likewise, and as has already been noted, it is mainly in large firms, above all state-owned or privatised formerly state-owned, that unions are present.

Some estimates suggest that around 11% of the 180,000 people employed in the banking sector are in unions²⁸. However, it is again the case that unions mainly operate in the largest banks – which is also to say the ones that were operating (if often in a variety of different forms) in the days of the People's Republic of Poland. Each has a couple of thousand members of unions that also included new ones like *Dialog 2005*. Equally, there are large banks in which there is no union activity whatever. Furthermore, collective labour agreements have not usually been entered into in the case of banks²⁹.

²⁶ OPZZ is a federation of branch organisations that has its own structure. Thus the *Federacja Związków Zawodowych Pracowników Przemysłu Spożywczego* OPZZ and *Sekretariat Przemysłu Spożywczego NSZZ „Solidarność”* for the food industry (with sub-sections dealing with sugar-making, brewing and so on),

²⁷ Data from Mirosław Nowicki, Head of the Food Industry Secretariat of NSZZ Solidarność. 00-838 Warszawa, ul. Prosta 30, tel. 22 827 92 38 www.solidarnosc.org.pl/spspoz; spspoz@solidarnosc.org.pl

²⁸ P. Badzio, Związki konieczne, "Gazeta Bankowa" no. 12/2014 (1164).

²⁹ P. Badzio, Związki konieczne, "Gazeta Bankowa" no. 12/2014 (1164); <http://wgospodarce.pl/informacje/13648-dlaczego-zwiazki-zawodowe-w-bankach-nie-sa-stanie-bronic-praw-pracownikow>

Participation in practice is favoured by a sense among managers that the two sectors under study are facing major challenges. These reflect – but are also reflected in – significant changes in the way business is done. In banking this links up with a changeover from a network of traditional bank branches to mobile banking. Banks engage in many activities that create a system favouring access to banking products via mobile phones. These must meet the expectations of clients, especially a young generation expecting to be able to do all of their business online. Bank management is meanwhile aware that the revolution the above entails will not be got-through successfully unless a further revolution putting an end to traditional, hierarchical methods is also ushered in. This explains the emphasis put on innovation, and makes it essential that employees become involved, with ever-greater room for co-decision being conferred upon them.

Also encouraging participation is the way banking is subjected to ever-fiercer competition on the part of other sectors. For example, financial services of various kinds are now being rendered by retailers.

There is again a profound feeling that major challenges exist in the food sector. Rapidly-changing tastes among consumers combine with capital consolidation and the entry on to the market of ever-more-modern production technologies to confirm this in practice. In turn, the factors potentially serving to limit participation include the way that styles of business management remain to some degree antiquated, with a love of hierarchy, directive approaches and a poor or weak organisational culture pursued.

The banking sector

Industrial relations. In the banking sector as a whole the social partners do not conclude collective sectoral agreements, or any other kind of collective agreement. Equally, there are some banks in which agreements of this kind have been entered into at the level of the individual place of work. There are no agreements in matters close to this, as regards the nature of participation.

There are estimates suggesting that around 11% of those employed in banking belong to a union, with this to be set against the c. 180,000 people working in the sector³⁰. Unions are mainly active in the largest banks, and are the ones that operated in different forms in the days of the People's Republic of Poland. Each has a few thousand members. New unions like *Dialog 2005* are also present. Equally, there are large banks in which trade unions play no role whatever. And, as noted above, while collective labour agreements are not unknown, they are not typical³¹.

It is mainly in the branches of a bank that workers belong to unions, and in general there is a rather clear division between HQ employees and those in branches. The latter form the main membership base for unions and first and foremost include "front desk" employees whose role is to service individual retail clients.

On average, those employed in the branches are somewhat older than those working at headquarters. Furthermore, this staff is ageing steadily, as it becomes harder and harder to attract young people to work in bank branches. As one of our interviewees remarked, work "in some bank branch" has ceased to be attractive from a financial point of view. The salary there tends to be determined in line with a pattern that the minimum wage is paid + 1000 zł + a bonus for results. Even when totalled in this way, there is usually no remuneration that would reflect the situation present elsewhere on the market. All the more so as requirements set for employees are actually quite exacting, while there are of course a series of obligations. Quite often work in a bank branch has to be done under pressure,

³⁰ P. Badzio, Związki konieczne, "Gazeta Bankowa" nr 12/2014 (1164).

³¹ P. Badzio, Związki konieczne, "Gazeta Bankowa" nr 12/2014 (1164); <http://wgospodarce.pl/informacje/13648-dlaczego-zwiazki-zawodowe-w-bankach-nie-sa-stanie-bronic-praw-pracownikow>

with many sources of potential stress being present. Uncertainty of further employment is another feature of the work.

Employees feel more at risk given the observable ongoing decline in numbers of real branches as mobile banking based on telephone apps continues to grow in importance. However, branch staff continue to represent a large proportion of overall employment. In one of the banks considered by the Project, around 12,000 people were employed overall, with over 6450 of these working at 650 traditional branches. Other employees were in the so-called Business Support Centre, or else in the headquarters. A clear majority (over 70%) of employees are female.

The structure of employment in banks is influenced as outsourcing is practiced. Advertising of products has, for example, become a matter for independent “call centres”. Entities external to firms also deal with real-estate and chancellery services, as well as staff matters and pay.

In one of the banks studied, for example, a 12,000-strong staff included 4000 employees who were members of trade unions. In fact these are organised into 4 organisations associated with workplaces. In the main, these are employees who signed up to a union in advance of the firm being purchased by a foreign investor. The sizes of the unions sometimes stand in the way of efforts to achieve improvements in conditions of work. Inevitably, rivalry between unions is a problem, with some kind of “contest” or “bidding” for claims when it for example comes to negotiating rules for the awarding of bonuses. A further example involved the signing of a collective labour agreement. While one of the organisations strove to have such a deal concluded, the others showed no interest. Such situations encourage a tendency for employers to “play off” one union against another, deciding to talk to one or several selected unions, while ignoring or avoiding the remainder.

Unions most often resort to defensive strategies whose main aim is to safeguard employees’ rights. That leaves matters of consultation and joint decisionmaking on the back burner. The scope and form that union participation in decisionmaking assumes is first and foremost a reflection of an Act of Parliament, rather than either the organisational culture of an enterprises or its practices where management is concerned. As one of my interviewees put it: “the employer does this because it has to”.

It has already been noted how many unions may be in competition with each other in certain banks. In one case, no fewer than 9 union organisations were operating. 65% of those employed are in unions, and these are mainly employees of local branches. They are also mainly older employees. The unions signed a collective agreement many years ago, but with each new year seeing the signature of further protocols detailing the new level of pay and working time. The unions in this bank have a representative on the European Works Council, assuring that person of better access to information on how the bank’s owner operates internationally.

The bank in fact has a staff council, though its role is not very significant, as the employer is not very willing to hand on information to it. Indeed, there is a general unwillingness to inform on important elements of the development strategy. However, the unions gained access to information available at the shareholders’ AGM. They ensured participation at that meeting by purchasing a package of shares in the bank from individual employees (these having been doled out at the time the bank was privatised in the 1990s).

Interviewees had no fully-developed opinion on the influence of the union presence and activity on the participation process. One stated that unions forced participation, if sporadically, and in the areas in which trade unions are most involved. This meant that the impact did not extend to the activity of the bank in all its variety and complexity. In turn, another interviewee claimed that union activity is confined to participation in negotiations on motivation and bonus arrangements.

Another interviewee states that unions did not represent the staff as a whole and were not able to instil an atmosphere favourable to participation. "I knew that there were unions, but it was usually only trace membership. It is more the case that unions come into existence to protect groups of workers – or even particular individuals – who are at risk of being laid off. So the process of activation takes place once there is already a threat".

Direct participation in banking

Most interviewees had a correct understanding of the concept of direct participation. They also provided a broad categorisation of it as involvement in work, participation, joint participation, joint involvement, partnership, division of responsibility, joint shaping or co-creating, co-responsibility for task implementation, joint programme development, co-ownership of goals, getting to know people, work with people, non-emphasis on the power of superiors but instead on objectives, challenges and the generation of ideas.

One interviewee stated that this was "an important and resonant term currently in the context of the management of goals, and long-term efforts to ensure business development". Equally, a participant (who was a trade union person) indicated that the idea is not well-understood. A further association was with participation in profits.

Opposites of participation were deemed to be the issuing of orders, the hierarchy, titles, posts and positions defined formally, a directive style of management, and "the owner of action being – exclusively – the superior, as opposed to the employee".

In banking circles, participation is perceived as something specific in the way management is engaged in, and as a system by which delegation is achieved, especially when it comes to the founding of a new project team. It is a system that assumes freedom of action, albeit in the face of a principle that planned outcomes are to be achieved. Independent work is a part of that. Managers also point to the concept of the organisation based around participation, of which a specific feature is support for exchanges of opinions as regards how tasks may be implemented, and information conveyed, including on crisis factors.

One manager working in such a role for 10-15 years now noted that few people make daily use of the concept of participation, even though the sense of it is appreciated properly, with it being regarded as a form of empowerment, a way in which to feel that an influence on solutions adopted by a firm is being exerted. This is a general co-creation or shaping of the place of work, as a goal to be achieved by employees' engagement and commitment, identification with the place of work and liberated feeling of pride therein. Participation also denotes the building of such surroundings in a bank as will ensure that the experience of employee staff is a positive one.

Shaping participation

Most interviewees were inclined to consider the activities involved in banking rather "barren ground" for participation. For banks traditionally operated as highly hierarchical systems. For a long time an atmosphere of secrecy held sway, given the fear of abuses, under the influence of rival banks, with a loss of own know-how taking place.

There was an emphasis on the security of operations in connection with the way banks had responsibility for a great deal of money conferred upon them."A bank is a business subject to a great many regulations. A bank will never be one of fintechs. There is a great deal of responsibility and accountability for conferred money here." In banking there is a high level of personal accountability for defined parts of the overall operation. "There is no participation where people are held personally accountable".

People simply became used to a hierarchy, to management structures in which the power of superiors over subordinates was of key importance. That denoted employees being left with limited room for manoeuvre where independent activity was concerned.

In the view of some interviewees, the old directive style of management is deeply rooted here. And it continues in different spheres of banking, because it always imbued a feeling of security. And “this takes place even in today’s realia”. Likewise, certain of the people spoken to were of the view that an authoritarian model of leadership was still in place. This considers decisions to be a privilege reserved for Chair and Bopard, with level n-1 containing only an executive part that does not participate in generating concepts upon which to act. “The Chair is used to the idea that he or she creates strategies, while others put them into effect”.

There remains a tangible influence of older managers who hang on to very authoritarian management methods. In the view of one interviewee, bankers in Poland possess many technical and professional skills, but are very much lacking in “soft skills” like motivational managing. “80-90 per cent of those managers don’t listen”. Furthermore, it is goals relating to selling that are considered to prevail in banks.

There was a widespread feeling that bank authorities and most managers encourage participation, joint decisionmaking, inclusion and power-sharing on an “official” level, but with the reality departing greatly from all the fine words and slogans. A head of an HR department in one bank pointed to pressure for managerial staff to show awareness of the importance of participation, even though there was not a great deal of success with actually putting conditions for employee participation in place.

Likewise, some said that they had met with older managers who rather abruptly developed an awareness of the importance of greater openness and cooperation where participation in the way of operating was concerned. “Over 16 years of work I have witnessed growing recognition of participation and soft motivation. But that doesn’t mean that the changes in the style of management matched that”. Another interviewee pointed to changes ongoing over the last several decades: “When I started out in the early ‘90s, there was a basic rule that directors were seen as the ones to require things of other people, to give orders. But a dozen and more years down the line, we’ve reached a moment when a climate favourable to participation has emerged”.

It is the view of the interviewees that younger managers are more inclined to work to propagate more-participatory practices, and are also more responsive to these kinds of ideas. They actively seek participation and management in line with the leadership model after J. Maxwell (servant leadership).

A further consequence of participation being practised in banking is that an evolution of means of management takes place on the scale of the business as a whole. This reflects the way it helps with the maintaining and obtaining of competitiveness. A modern approach to banking has become ever-more widespread in the sector. “A convergence of branches is taking place, with banking in this situation in competition with many other sectors and making the necessary adjustments”.

There is an ongoing process of disappearance of traditional banking, i.e. the kind symbolised by the branches, whose numbers are declining. The symbol of the bank today is the mobile phone. “The old approaches to banking are being laid to rest among other outdated practices”. Indeed, those who stick with the old ways would seem to be doomed to disappear from the market. “You need to imagine the world several years down the line and adapt to that”. What count now are ideas, not capital. *Uber* and *BnB* offer examples of hit business ideas arising from not much capital at all, being based instead around ideas of genius by which a new business ecosystem can be put in place. This kind of system offers a whole new way of doing business, a new synergy. “We need to free ourselves from the old systemic thinking”.

Interviewees stress that a hierarchical structure in banking represents a trap as much as anything else. It only comes into its own where simple products like consumer credit are being sold. "If a bank is to devise a very advanced offer, it must base itself around a culture of participation and joint involvement". This interviewee had been employed to develop the said offer of financial products, and that proceeded on the assumption that a hitherto non-existent culture of co-decision needed to be established for that to be possible.

National cultures in banking

A further issue in Poland is the specific nature of the participation it might be possible to find in banks belonging to groups of differing national origins. There are some interviewees claiming that foreign owners often make no headway in influencing management, or the inclination on the part of managers on the ground to put participation into effect. There was nevertheless a manager who took a different view on this, having worked in 3 banks, of which once was Portuguese-owned, one American and one French.

In the end, each of these banks had an organisational culture of its own, which formed a basis upon which it operated. In the bank under US ownership, employees were in fact left quite free to engage in autonomous activity and joint solution-seeking. Indeed, much was seen to depend on teamwork. The situation in the French bank was quite the opposite, with a top-down approach holding sway. French managers were seen to be characterised by a far-reaching desire to give orders and directions to their subordinates. "The approach was almost a colonial one. They explained it all – down to the simplest things, presumably assuming that this kind of stuff was not known in Poland". In the Portuguese bank, in turn, what was quite visible was great and determined faith in the genuine superiority of superiors, and in their wisdom. That said, this did not assume the kind of extreme form that it did in the French case, for managers learned to respect local input and the degree to which Polish employees might indeed be skilled.

In the Polish business environment, employees themselves are prone to imbue their bosses with considerable authority. "Titles go on working their magic, a plaque with CEO on it means that employees all around are to kneel. But in the younger generation there is more of a readiness to be entrepreneurial than hierarchical".

In the view of one interviewee, a great deal depends on the middle-managers and on the means they depend on to build their teams. Readiness to participate is seen to be instilled at this very level, as a team is built. "The kind of staff taken on depends on that. A manager taking on poor-quality employees has to take full responsibility for them later on. On the other hand, a person who surrounds him/herself with capable people with professional strengths is able to delegate tasks and give rise to some kind of co-responsibility".

Barriers to participation

Trade-union activists are inclined to suggest that middle-managers are the ones to block participation. They are said to be less eager about it on account of fears for their positions and a need to maintain prestige. They fear that the expectations of employees may be raised too far, e.g. as regards earnings and promotion. Indeed, some managers perceive a greater threat from those under them than from other managerial staff.

It is for this reason that, in the view of employees, these managers do not put conditions for the professional development of other staff in place. They would rather give an order making sure that

tasks are carried out closely in line with instructions, and deal with the consequences of that later. They introduce a kind of military discipline, whereby "the job is to give effect to things, and get on with it, rather than report problems. Some behave as administrators, with management confined to the giving of orders".

In the view of interviewees, some managers perceive authoritarian traits in themselves. Some at least actually try to soften or curtail this by taking advantage of relevant training. "Sometimes things go off the rails at work as actual mobbing is deemed to have taken place, with a high turnover of staff and results achieved that are different from what was planned".

Equally, there are circumstances in which autocratic managers remain in their posts for years. "A problem arises where managers are autocratic, but also effective. Though today it's clear that methods like that can only be effective in the short-term, anyway." Another interviewee pointed out that methods of management of the kind in question could only be regarded as short-sighted. "I have noticed how some managers inclined to be authoritarian have also changed their management style in the direction of participation".

Another interviewee pointed out that a growing barrier was being put in place by accelerating inputs of ICT into the banking sector. For that ensured that more and more of the work involved in the sector became recreative as opposed to creative, routine, and so on.

A win-win situation. In the view of a representative of staff, banks are not fully aware of the win-win situation they are dealing with. In contrast, a representative of the managers claimed that they were indeed quite aware of that fact. The manager said: "Among employees, there is always a group frustrated by the posts they hold, by the routine, but not everyone likes having more responsibility. The "feudal mentality" is everywhere. And the kind of people we're talking about would like to be shown what to do, rather than initiate something off their own bat".

An interviewee said that employees were active to varying degrees, and in many matters (as with the case of the first bank), the strategy dominant among those employed was "don't lean out too far" or "don't lean out at all", which therefore denotes a passiveness in relation to superiors.

One interviewee pointed out that the attitudes of middle-managers to participation are capable of change. "It may be that some managers will feel safer in their posts on account of the low level of unemployment. That might leave them more open to participation, and the inclusion of employees in joint activity and joint decisionmaking".

However, even managers convinced of the virtues of participation may make mistakes in daily practice that can ultimately make things problematical. An HR Director in one of the banks admitted that there was a generally-existing willingness to put participation into effect, but with problems appearing when that had to be incorporated in real life in precisely-defined operational activity. Mistakes made by managers might entail unequal treatment of employees, the favouring of some of them, with others therefore becoming discouraged. Quite often favouritism arose for informal reasons (e.g. private acquaintanceship). "A great deal depends on the level of emotional intelligence. It's that that conditions managers' capacities to generate synergies and encourage cooperation." One interviewee noted "this doesn't happen very often in our place".

Indeed, those studied are of one mind in recognising that a barrier to the development of participation is installed by the low level of capital when it comes to trust. And this factor is visible throughout the economy, and indeed in Polish society as a whole.

Our bank employees had difficulties with the question as to whether banks existed in which the emphasis on participation is especially strong. One pointed to a Polish branch of *Deutsche Bank*, in which "a system of incentives to admit to mistakes has been introduced, and this makes the bank look efficient. It was in this way that I came to hear about various kinds of failing". Another person referred to *mBank*³².

An employer will consult where this is a necessity, i.e. in matters of safety at work and training policy. However, as an interviewee made clear – a lack of consultation can often be the fault of employees themselves. From time to time, open meetings are organised to allow the employers to pass on certain information. It is not usual for staff to say anything much at these times, and/so "an open meeting looks like drumming company policies into the workers".

Factors favouring participation

Reference was made to factors that could be singled out as favouring the practice of participation. Managers are now aware that innovation may not just be "ordered up", so they seek to build a model for supportive leadership. This is to ensure that employees "want to want it". The task of the boss is to leave people open to being active and making use of their talents. They should be able to explain the significance of activity engaged in – and the newest generation in particular expects such an approach to be applied to it.

In the view of interviewees, there is a growing awareness that much depends on high-quality interpersonal relations, including with the client on the exterior, but also internally, with other organisational units. This explains the tangible emphasis on respecting other people and interpersonal values.

Given the situation on the market, banks seek out more perfect methods of managing, of organising internally, as well as opportunities for changes in the means of management deployed up to now to be made. They perceive that circumstances surrounding their work are changing. The cake of profits for banks is growing smaller, and pressure is felt – not least as imposed by telecommunications and commercial companies already coming on to the market for financial services.

The question coming to the fore is how to react to the era of mobility; to the style that the process of the start-up has been acquiring. Young clients have started to use banking services in a different way from before, making use of other channels by which services can be distributed. They are far more mobile.

One interviewee stressed that banking was becoming a great field for new designs to be worked on, with the goal being to come up with ideas that match the new realia. Banks need creativity, and participation seems a good basis for strengthening that, under the conditions of the search for new ideas and new products, as well as new accessing. Ideas are also needed when it comes to communicating and marketing (that reaches the young). "Bank Boards know that they have to act, not through their authority, but through joint action ... and joint head-scratching. But even then it doesn't always work out".

An interviewee with a background in consulting pointed to one further factor capable of increasing participation in the nearest future. This is of course the shortage of people on the labour market. This circumstance can really change a great deal where management style is concerned. Banks are modifying their incentives system to help retain staff. These are not merely financial incentives now,

³² fourth largest universal banking group

but also methods of management that are friendly, inclusive, and supportive of rapid learning thanks to exchanges of information with other employees.

Instruments of participation

Banks apply various instruments that can be regarded as favourable to the practice of participation. The classical delegation of tasks to individuals and groups is on the everyday agenda, though forms taken depend on the nature of the work in the given post. Superiors set up topic teams (or some such), with their task being to draw up recommendations and arrive at solutions that will bring improvements in given areas. It is managers who indicate the employees to be involved in this and other team efforts. It is of course another matter whether solutions devised are implemented in practice.

A large number of different forms of consultation are referred to. Research on levels of satisfaction is mentioned, with this in fact being a constant element of the organisational culture present in one of the banks.

Questionnaire-based study of the involvement of employees is carried out, cyclical meetings and chances to chat with the Board online are run; information is gathered on the mood of employees, and the organisational culture is studied. In one bank, competitions are run to present the best ideas for streamlining work, while in another some 100 ideas have been introduced, and awarded on the basis that “no top-down thinking would have come up with this”.

A frequent topic for both consultation and co-decision is the planning and organisation of training. Employees have access to offers of training courses and they can submit information on their needs in this regard, as well as acting upon them.

In one bank, employees are consulted in regard to both the planning and the evaluation of training courses. However, this is true for a declining number of employees, given that outlays on training are in decline. Employees support HR managers (or business partners). These people cooperate with managers in different business units within a bank, helping them with the design and introduction of processes and solutions in HRM, in such a way that they assist with the attainment of the organisation’s strategic goals. If the HR Business Partner is somehow an ”objective” person (not on the manager’s side) – as an interviewee claims – then the cooperation also takes in employees and obtained information.

Some banks organise training via which the inclination to participate is strengthened through the application of well-defined instruments.

Organised in one department is an ”inspiration hour”, once a week, to allow for free discussion on the basis of observation, to share remarks, and so on. One manager says that each structure pursues a principle that meetings take place at least once a month, and this is not merely to sum up financial outcomes, but also to analyse problems with development, as well as methods by which superiors are able to support employees.

One bank has a star system, whereby an employee can suggest that somebody or other be awarded within a given period of time. The top awards are backed by financial payments. The firm Hay has been hired to ensure that levels of involvement of employees are studied. In this way, there is also a way of identifying and studying barriers not favouring commitment. The questionnaire also leaves room for the comments of employers.

Differentiation among the banking professions. Participation is diversified in terms of its scale and forms, and in the different professions that are actually present in the banking sector. Those

giving advice to wealthy clients might have considerable room for independence as they choose ways in which desired effects may be achieved. Also in a good situation in this respect are those working in marketing, product creation and so on.

A different situation applies to the "front-desk" employees involved in customer service. Here the form of work involved can encourage resort to the term "macdonaldisation". This is to say that banking products are sold by employees in line with techniques that are tried and tested to the point of cliché. In this context, participation is *de facto* dependent on how the employees involved are managed. Things come out worst if this boils down to meeting quantitative targets (numbers of products sold, clients gained, etc.).

According to one employee, participation in the activity of local branches in an entirely neglected area. Joint decisionmaking is not practised there and consultation is limited. Superiors are in fact obliged to consult over sales plans, but often even this does not happen, with things instead done in a mechanical way. Likewise, there are failures to consult employees as regards the way work is organised; while staff can be overloaded, especially given the failure to employ people in line with needs. The comfort experienced at work is reduced as a result.

In this regard, a rather major role is played by the guidelines from the EBA³³ that have arisen out of Directive 2013/36/EU. These are concerned with the shaping of the system of remuneration for bank employees that offer financial products. Remuneration is supposed to relate, not only to the level of sales achieved, but also to quality of service (matching of products to clients' needs and expectations).

The benefits of participation

Interviewees feel "there can be no doubt" about the benefits arising where participation takes place in banks. In circumstances where it is present, conditions are put in place for greater productivity, innovation and a move in the direction of new ways of working. A lack of participation can in turn generate potential losses, as employees cease to come up with new ideas, or at least cease to share them. Trust gradually erodes.

DP does indeed favour the building of trust, and gives rise to a sense of shared responsibility. Employees' ties with the firm are strengthened as a result. "That is of exceptional importance these days, because there is beginning to be a shortage of labour".

A good financial outcome can be conditioned by engagement in DP, since it allows for cooperation within a team, with joint seeking of solutions and generation of ideas. "An employee gets involved when he or she achieves a better understanding of objectives, and the circumstances under which their achievement becomes possible".

Participation serves employees' interests, ensuring that they feel a sense of mission and identification with the firm. However, opinions were divided in the matter of **whether employees want participation**. Some were of the view that only a limited number of employees were really interested in participation, given that it meant more responsibility or accountability, and extra duties. In contrast, there were also opinions to the effect that most workers want it and are ready for what that entailed. Interviewees in the latter group claim that people want to do something that makes more sense and goes beyond the needs of the individual alone. They may also want to feel that they can make a difference to something, make a contribution, develop in a professional sense and also

³³ [the](#) European Banking Authority (EBA).

develop specific social skills, as well as a capacity to work with others more effectively than before. "People feel that participation is important from the point of view of their dignity; it also gets them noticed and makes them feel they are valued".

Someone remarked that optimistic observations of a widespread readiness to engage in DP may also reflect the fact that banking somehow attracts people active to an above-average level, well-educated, but also with a high level of expectation. "Even when it comes to the selling of financial products, employees have to have some idea of it in order to do it effectively". However, it can be that willingness to participate slackens off as professional life continues. Employees in this phase may feel they are in a rut, and then become far less receptive to ideas.

One interviewee put it this way: "The level of readiness to participate is very low, though it does depend on the given team, and the way in which it was recruited (e.g. through a search for the highly-qualified or not). There are many who come to feel that it is safer to remain passive".

The future of participation

Interviewees were pretty much of one mind in considering that participation in Poland has a future. However, its rate of development was deemed to depend on attitudes and will on the part of bank managers, as well as on the degree to which they are ready to propagate the idea more widely, and to strengthen the culture of joint decisionmaking, joint action and empowerment. "Management must know how to put the right kind of atmosphere in place. But they either stand in the way of participation, or they create good conditions for it to flourish. And managers must learn how to take on this role, including knowing how to determine the level of tolerance or failures or mistakes". And: "right now, the strongest tendency is for them to want to keep a close eye on the employee, rather than empower him or her where a process of co-decision is concerned".

A great deal depends on just how cut-throat competition on the market proves to be. Participation is made more likely by the growing importance of technology – indeed its application pretty much requires participation, exchanges of views and opinions as to how it works to attract clients. "Where technology is concerned, it is also the case that the boss doesn't know everything and so must show trust. The only alternative to that is to block the use of technology, and that kind of attitude is untenable in the longer term".

The consultant said: "banks must invest in soft skills, and adapt to a young generation seeking a more open relationship and in general wanting more out of life. There is a need for a flow of information as to the significance of the skills in question. And a great deal can depend on whether banks know how to accumulate experience with management".

The future is thus dependent on the evolution of organisational culture in banks, and on change in the mentality of leaders, indeed with the possibility of a new managerial culture – i.e. "a change in the profile of training given to bankers, with efficiency not being the only thing any more, but being augmented by soft management skills – a kind of multi-stranded development".

A question arises as to whether managers have any more profound understanding of the fact that their task is to develop their employees, and teams thereof. Of key importance is effective strengthening of capacity when it comes to soft influence on the environment and the consensual shaping of frameworks for the work done by subordinates. "In our case, participation as a model for group decisionmaking has prospects, because people realise that competitiveness – and the possibility of staying on the market – depend on that".

BZ WBK

Bank Zachodni WBK (BZ WBK) is the third largest bank in Poland, by volume of assets. 70% of the Bank's shares are held by the Spanish *Banco Santander S.A.* It is a universal bank³⁴, which means that it offers services to both individual clients and businesses. It has some 760 branches and is characteristically highly stable and liquid. It holds a 10% share on Poland's credit and deposit markets³⁵, and provides banking services to some 6.5M clients. *BZ WBK* is a profit-making endeavour, with gross 2017 profit at the level of 3.3bn zloties. In turn, assets as of 2017 were of 152bn zloties³⁶. The Bank has some 11,000 employees.

Bank Zachodni WBK was founded in 2001, as a result of a merger between two large Polish banks. i.e. *Bank Zachodni* and *Wielkopolski Bank Kredytowy*. The latter were founded in 1989, as part of the process by which the Polish state first reestablished commercial banks after the communist era ended. Furthermore, in 2013 *BZ WBK* also incorporated the old *Kredyt Bank*, once the seventh largest bank in Poland by volume of assets.

Four trade unions are active within the Bank, including "Solidarity", plus the All-Poland Alliance of Trade Unions (*OPZZ*) – the second largest union in the country. The level of unionisation amounts to some 50%, i.e. a high level as compared with other banks, and all the more so when account is taken of the general level of trade-union membership in the Polish economy – which is at some 9%. Some large banks (e.g. *Millenium Bank*) do not have unions at all. Nevertheless, the Bank under study has no collective organisation of labour, and it also lacks any employee council.

Understanding participation. The word "participation" has been categorised by our interviewees consistently as engagement, participating in events, joint participation, joining in, engaging in communal activities, enfranchisement and helping to create the atmosphere in the workplace. At the same time, one of our interviewees indicated that this was all basically fallacious, given the inevitable real-life association with participation in activity to ensure the Bank's generation of still-larger profits.

The manager indicates that, in banking circles, participation is perceived as something specific to the system of management, as a system of delegation, especially in cases where new project teams are founded. This is a system in which freedom of action is assumed, as long as the planned effects are being achieved. It is individual work. Our interviewee indicates: "this is the last word in current goal-management practices, forming part of long-term business development goals."

In the manager's opinion, participation is reflected in the system of values the Bank adheres to. It encourages a culture of feedback, seen as responsive to employee needs, and the desire for engagement. The opposite of participation is directiveness – a method not held up by the Bank as worthy of emulation. At the same time, one of the managers admits that, in spite of the broad recognition of the value of participation amongst directors, and at the managerial level, some managers remain clear about the fact that, on the everyday operational level, the practice can yield variable results.

³⁴ It forms a part of the *BZ WBK* Capital Group, also including firms that deal with leasing, investment funds and so on.

³⁵ https://static3.bzwbk.pl/asset/b/z/w/bzwbk_prezentacja_pl1801_83382.pdf.

³⁶ *WYBRANE DANE FINANSOWE GRUPY KAPITAŁOWEJ BANKU ZACHODNIEGO WBK S.A. ZA 2017 ROK*, p. 18; https://static3.bzwbk.pl/asset/r/a/p/raport-3-2018-IAS_IV_2017_pol-korekta_83393.pdf

The directors do not support an authoritarian way of doing things. Indeed, employees can report examples of this managerial style to the HR department. Managers who have difficulties in creating an atmosphere of partnership in the workplace are required to supply a remedial plan by which a change of attitude can be achieved. Discussions must be held with them and their subordinates. Such measures are undertaken even in cases where the managers in question achieve good business outcomes.

One HR manager admits that feudalism is a deeply-rooted characteristic of interpersonal relationships, and one widely present in Poland. He underscores that the Bank has rather been permeated by Irish working culture, which does not encourage great distance between employees, be they managers or their subordinates. "I used to work for *PKO BP*, and relations between employees were much more rigid there than they are at our bank." However, he does admit that there is much still to be done to improve things at the managerial level, which in the case of *BZ WBK* can be taken to denote about 1500 employees.

Banking and participation. The managers at *BZ WBK* indicate that participation plays a significant role in the management culture of the Bank. However, this is not indicated clearly in any strategic documents, or in the agreements signed with trade unions and similar entities.

Material related to participation is included in the HR strategy of the Bank, which speaks of striving to match given indicators relating to a sufficiently high level of employee engagement, the distinction of best employer in the banking sector, and working conditions in the Bank conducive to a positive working experience. However, there is no mention here of processes specific to direct participation, delegation and consultation.

Moreover, the Bank has adopted a concept of development that references 'agile' organisation of work. This presupposes a flexible and interactive model for the organisation of project work, which is more people-oriented than process-driven, more focused on the context in which work is done than the engineering of action plans. It aims to achieve the goal of a workplace highly adaptive to changing conditions. In this context, a practice of ongoing interaction and communication is encouraged over the rigid following of established procedures for relaying information; and the importance of concentrating on effectiveness in problem-solving (rather than precisely documented problem-solving methods) is heavily underscored.

The Bank has called into being a network of inter-disciplinary teams to develop ideas to aid achievement of its goals in business and other fields. At least a part of these tasks are delegated to employees to complete autonomously.

The manager admits that certain employees at managerial level recognise authoritarian characteristics within themselves, which some of them at least attempt to ameliorate by making use of available workshops. "Sometimes things go off the rails at work as actual mobbing is deemed to have taken place, with a high turnover of staff and results achieved that are different from what was planned".

Participation and banking career trajectories. Our interviewees assert that the practice of participation and its forms are very much dependent on which banking career trajectory is being followed. Advisors to wealthy clients typically have a large degree of autonomy, assuming they comply with certain results-based parameters.

The situation of front-desk employees is somewhat different. Here, the manner of work is described colloquially as ‘McDonaldisation’. Employees have access to a range of different banking products, which they can sell to interested parties. In this area, the degree of participation depends on how the employees are managed. The most problematic feature of this area is that work is often reduced to numerical targets (numbers of products sold, clients won, etc.).

In this regard, EBA guidelines³⁷ based on EU Directive 2013/36/EU are beginning to play an increasingly important role, relating as they do to the shaping of a system of remuneration for employees of banks offering financial products. Such remuneration should depend, not only on the volume of sales, but also on their quality (adaptation of the product to the needs and expectations of the client).

Participation and trade unions. Our interviewees find it hard to determine the impact of trade unions on the depth and range of practice of participation. A representative of the unions indicates his organisation’s attempts to lobby for the greatest possible influence of employees on the process by which their work is accomplished, and the greatest possible degree of autonomy in its execution.

For their part, managers indicate that the unions are too concerned with matters relating to salary demands to also be affective promoters of participation. ”Their main area of operation is defending against layoffs. All their training is in how to oppose things. Away from that they don’t bring much to the table, and they are not able to understand today’s world”.

Barriers to the development of participation. According to an employee representative, middle management often sets up roadblocks to participation. They fear for their own position and prestige – that their subordinates will want to earn more and be promoted. Some feel more threatened by their subordinates than by their fellow managers. Such managers sometimes lack the culture to encourage the development of fellow employees. They prefer to issue instructions, which are to be fulfilled to the letter, and accounted for. They engender military discipline, along the lines of ”give effect to things, and get on with it, rather than report problems. Some behave as administrators, with management confined to the giving of orders”.

An employee representative asserts that the attitudes of some managers may change in the near future in proportion to the fall in unemployment rates. ”They will feel safer in conditions of low unemployment, and will then be more open to the use of participation, inclusivity in joint action, joint decisionmaking, etc.”.

Win-win? According to our interviewee – an employee, employees in general do not see participation as a win-win scenario. However, managers do see things this way. They believe that participation is equally beneficial to employees, because it offers them the opportunity to be seen and appreciated. They believe ”without a doubt” that participation creates the conditions necessary for higher productivity, innovation and experimentation with new modes of work. One of the managers does however, highlight that ”Among employees, there is always a group frustrated by the posts they hold, by the routine; but not everyone likes having more responsibility”.

The manager indicates the existence of a ”feudal mentality”, which is strongly present in Poland. “The kind of people we’re talking about would like to be shown what to do, rather than initiate something off their own bat.”

³⁷ the European Banking Authority (EBA).

In the opinion of the manager, the Bank's directors believe that participation can assist in building trust, giving rise to feelings of collective responsibility, and binding the employees more tightly to their firm. "This is particularly vital in today's economy, where there is beginning to be a lack of qualified employees." But, as in every bank, some barriers will always remain. "A bank is a business subject to a great many regulations. A bank will never be one of fintechs. There is a great deal of responsibility and accountability for conferred money here." In banking there is a high level of personal accountability for defined parts of the overall operation. "There is no participation where people are held personally accountable".

The digitisation of certain operations is therefore a great challenge for the Bank, because it decreases the scale of participation, through the increasing automation of routine operations. The employee thus follows top-down instructions from the computer.

According to the manager, the high standard of interpersonal relations at the bank is conducive to participation; he highlights the importance of maintaining good relations externally, with clients, but also internally (with members of other organisational sub-groups). "There is a visible focus on values, especially respect for others".

Instruments of participation

As has been mentioned above, forms of participation depend on the nature of the job performed. Some methods are more universal, such as a group consultation in the form of participation in an anonymous survey, which allows the employee the opportunity to express his or her opinion about all matters relating to the job, managers, etc.

However, an employee representative expresses doubt about the anonymity of this channel, because employees have to send their replies from their work computers. "Some managers have even been known to warn that, if a survey makes an unfavourable report, there will be no payrises, etc."

Surveys relating to the scale of employee engagement are also conducted by the consulting firm Hay, with the aim of identifying the barriers to such engagement. The questionnaire provides space for employee comments.

According to the manager, in each of the Bank's structures, and on every level, there is a culture of organising meetings at least once a month. The aim of these is not only to sum up financial results, but also to analyse problems emerging at the Bank, to develop methods of managerial support for employees, etc. A system of stars has also been implemented – each employee can commend a colleague he thinks worthy of distinction at a given time with a star. The best are then rewarded financially.

Participation often relates to matters such as employee training courses, and the matching of employee competencies to the changing needs of the market. The HR department organised a series of workshops, in which employees were tasked with constructing a system of goal management, to analyse the method of task realisation in the bank, assesses the quality of work and its results, etc. Workshops in which employees can discuss their training needs are also organised. "These took place after the *BZ WBK* takeover of *Kredyt Bank*, when it transpired that the Bank had acquired a new group of employees whose quality of work needed to be improved." The unions are engaged in the negotiation of motivational systems and bonuses.

The future of participation

Our interviewees indicate that, in the Bank, as in the banking sector in general, much depends and will continue to depend on the skills and good will of the management in broadening access,

strengthening the culture of cooperation in decisionmaking, and in action, taking ownership, and leading projects to create a new and more appropriate working atmosphere. ”The deciding factor here is the quality of the managerial staff, who really have the last word on whether employees will wish to engage in joint action. These days payrises no longer work.”

The future of participation also depends on the extent to which old “feudal” practices – meaning the tendency to act as a kind of ”overlord” over employees – can be abandoned. ”There are those who feel their place in the hierarchy very strongly. They look at a promotion as a vertical climb up a career ladder. Meanwhile, a promotion is seen less as an increase in competency, professionalism, knowledge, and ability. Many push for a vertical promotion because it will allow them to gain the stereotypical company ‘car and phone’.”

The food industry

The food industry has been a dynamically evolving sector ever since Poland’s systemic transformation of 1989-1990. This is a result of the steady increase in sales on both domestic and foreign markets. The financial condition of the sector is good. Poland is the eighth biggest exporter of agricultural products and food in the world. For many years now it has had a net positive balance of trade in the agricultural and food sectors. The export business has likewise been growing for years. In 2005, export sales amounted to some €7.1bn, while by 2016 this figure had increased to some €24.3bn³⁸. The major recipients of Polish exports are German firms (3.8 bn EUR in 2012) and British companies. Exported goods account for almost 20% of revenue from the sector³⁹.

The food sector is therefore one of the country’s most significant – sales within it, for example in 2012, amounted to 204.6 bn zł, or some 21.4% of sold industrial output (18% of overall industrial sales). In the sales category (data from 2012) the largest sector is meat production (27.9%), and the sector of other food production (16.5%), followed by dairy (14.8%), and beverages (11.2%)⁴⁰. The sector employs over 400,000.

Some of the greatest food sector companies in the world (including *Nestle*, *Danone*, and *Craft Sugar*) are active on the Polish national market. Seven of the ten largest food companies in Poland possess foreign capital.

Processes of consolidation⁴¹ have taken place in the sector. In this manner, several large groups have emerged. A good example would be the Polish financial holding company Maspex⁴², the largest producer of foodstuffs (mainly beverages) in East-Central Europe, with many divisions in neighbouring countries. In 2016 it was taken over by *Agros Nova*, a producer of jams and preserves which had formerly belonged to a company in Western Europe employing some 600 people⁴³.

³⁸ Krajowy Ośrodek Wsparcia Rolnictwa. 2018 r. Handel zagraniczny towarami rolno-spożywczymi w okresie styczeń–październik 2017 r., Warsaw

http://www.kowr.gov.pl/uploads/pliki/analizy/handel_zagraniczny/Handel%20zagraniczny%20towarami%20rolno-spo%C5%BCywczy%20za%2010%20miesi%C4%99cy%202017%20r.pdf

³⁹ Sektor spożywczy w Polsce Profil sektorowy, Departament Informacji Gospodarczej Polska Agencja Informacji i Inwestycji Zagranicznych S.A., Warsaw 2013, p. 8

⁴⁰ Polski sektor rolno-żywnościowy i obszary wiejskie po 10 latach członkostwa w UE- przegląd najważniejszych zmian, Ministry of Agriculture and Rural Development of the Republic of Poland, Warsaw 2014, p. 8

⁴¹ BW, Branża rolno-spożywcza stoi w obliczu intensywnej konsolidacji, portalspozywczy.pl;

<http://www.portalspozywczy.pl/technologie/wiadomosci/branza-rolno-spozywcza-stoi-w-obliczu-intensywnej-konsolidacji,130205.html>

⁴² The firm came into being in 1990

⁴³ This firm was founded in Łowicz in 1965

The manager of one Polish food-sector company believes that the sector's main problem is the comparatively low proportion of brand-name products, as well as a relative lack of innovation. Few firms take up the challenge of expanding into foreign markets, or decide to build their own organisational structures for product sales.

Industrial relations. Contracting parties in the food sector do not enter into sector-specific deals, or agreements of other kinds. Only a small proportion of firms have introduced company-wide collective contracts. Where these exist they usually deal with matters of remuneration. There are no agreements concerning anything approaching participation.

Trade unions in this sector are mostly active in large companies dating back to the era before the systemic change of 1990. In these, several unions including the most significant nationally (such as Solidarity, the Trade Unions Forum, and the Pan-Polish Alliance of Trade Unions) are sometimes active. Such unions of national reach often have separate secretariats that organise members in each sector⁴⁴.

Trade unions in newly-founded companies often lack have their own structures. Occasionally, unions attempt to form new cells, though this can be a source of disruption, given disinclination on the part of owners and managers. A good example would be *Mokate*, one of the largest private firms experiencing rapid growth post-1990. Several attempts were made at the organisation of a union cell in the company's factory, though this only actually took place in 2017. Conflict had been growing internally for several years, but it remained confined to the factory workers and their immediate superiors. 20 per cent of the workforce ultimately joined the "Solidarity" trade union. A committee was elected, though workers were initially afraid to disclose their union membership⁴⁵. In many companies, such a revelation might well mean the end of an employee's career. Should an employee wish to become a foreman in his factory, he must first leave his union – says the regional director of "Solidarity" for the area in which the firm operates.

An activist working for the company indicates that the organisation process was kept secret because the management of the company hinted there might be repression of unionised workers. Workers were called in by Human Resources, in order to assure the division that they were not union members. Older workers frequently succumbed to this pressure, because they were afraid of losing their jobs. There were cases in which the company did not extend the contracts of those who joined unions. The managers told their employees that, if they registered complaints, they would be replaced by Ukrainian workers. One worker interviewed felt insulted, and intimidated by that.

After a while though, in spite of significant fears over their employers' reaction, four committee members revealed their union membership. The company's management did indeed react angrily⁴⁶. Within a short period, one of the workers had been laid off, another resigned under pressure from the management, while the union leader made use of her leave entitlements.

The position of the unions is comparatively stable in large firms which hail from the days of the People's Republic of Poland. Only one union, "Solidarity", is active in *Agros Nova*. Some 25% of the workforce are members. In 2016 an attempt was made to create a workers' council. Three

⁴⁴ The OPZZ is a federation of branch organisations that has its own structures, e.g. in the food industry *Federacja Związków Zawodowych Pracowników Przemysłu Spożywczego OPZZ*, and the Sekretariat Przemysłu Spożywczego NSZZ „Solidarność” (organised into sections dealing with the sugar industry, brewing, etc.)

⁴⁵ Organizacja związkowa NSZZ Solidarność przy Mokate S.A. <http://pracowniczasolidarnosc.pl/>

⁴⁶ <http://www.solidarnosc.org.pl/bbial/solidarnosc/solidarnosc-w-spolce-mokate-zwiazkowe-poczatki/>

candidates put themselves forward, but no council was formed, because – as the chair of the union put it – ”there was little interest within the workforce”.

The unions are considering forming a European Works Council, though this is not likely to happen in the near future. The company Board has reacted sceptically to such proposals.

In firms within this sector, the employment structure is highly differentiated. In large firms, highly-qualified essential personnel on long-term contracts of employment tend to dominate where spheres of activity are deemed to be crucial. In *Agros Nova*, some 80% of employees are on full-time contracts of employment. 20% of the workforce are Ukrainian immigrant workers, who are predominantly working on part-time contracts. The number of Ukrainian workers in different firms is increasing. At least some of them are hired by companies on the recommendation of recruiting firms. In SMEs in particular, employers often treat the hiring of foreign workforce as an element of contract negotiation with local workers. At the same time, the sector is experiencing a deficit of those interested in work.

Direct participation. Participation and sector-specific challenges. According to our respondents, the nature of the food industry does not necessitate the development of any particular new forms of participation – nor does it set up any significant barriers to it. Nevertheless, some of our interviewees indicated that production is highly automated, and the work involves mostly routine activities. This leaves very little room for ongoing interaction with superiors. It has been noted that these have the tendency to determine more or less precisely the method by which work is to be done. In one of the companies, an employee complained, not so much about a lack of cooperative decisionmaking with respect to the organisation of work, but about a lack of cooperation in social matters, methods of motivating workers to innovate and complete solid work.

The most tangible lack of participation can be seen in the sphere of production. Job descriptions are written up by managers who – according to one of the workers – show limited awareness of the specific responsibilities of the role. ”Here the art of matching the worker to one of several production lines comes into play”. He sees the need for participation in the organisation of work, and how this could save money for the company.

According to him, production line managers do not practice participation. The process of production is described in fine detail – who is to do what, and how. The workers must then adhere to it, even when things fail to go as planned. It is underscored that the only individual element is the responsibility itself, and it is indeed advertised openly as such.

One of the managers we spoke to highlights the way that participation is not at all widespread in Poland. This is the result of a strong “feudal” tradition, relating to a specific method of labour organisation which was common practice several centuries ago on agricultural estates belonging to the gentry. Feudalism was specific to a time when serfs were deprived of civil and economic rights. They were tied to the land and made to labour on plots which they did not own. Currently, the feudal tradition is referenced in cases where a great social chasm exists between the managers and those they manage, accompanied by a lack of communication, a confrontational relationship, and even an inclination to engage in conflict.

In the opinion of the manager, a barrier to understanding is provided by difficulty with quantifying the results of a worker’s labour, in terms of what they do and what they are responsible for. Managers become lost in the operationalisation of achievement in terms of pre-existing factory structures. They rely strongly on their knowledge, and do not feel the need to enrich it by engaging in dialogue with their co-workers.

The scale of participation. Our respondents had rather varied opinions on the scale of participation in this sector. According to one of the managers working at a new Polish firm, a verdict of weakly developed participation would be correct in this sector. To a great extent, this is the effect of features of company owners themselves. It can be explained by the fact that, in the early 1990s especially, there was a very low point of entry into this business sector. This means that those who founded and developed companies were frequently short of human capital when it came to being able to manage a large workforce. At the same time, the key element of achieving good development was the speed of reaction to market demand for new products. The method of work practiced, and even the degree of productivity, were of negligible importance compared to the receptiveness of the market. There was no need for refined human resources strategies. This effect was compounded by a high degree of unemployment, and the oversaturation of the market with willing labour.

Local empires, whose owners were famously harsh employers, sprang up in the food industry. A frequently cited example would be Henryk Stokłosa, the owner of the agricultural and food processing works near Piła. For a long time, he was the largest employer in the region. At the same time, he became active in political life, which further strengthened his position with respect to his employees. He sat in the Senate (1989-2005, 2011-2015). In 2013 Stokłosa was sentenced to eight years in prison for tax evasion, extortion, and the unlawful imprisonment and battery of his employees in the *Farmutil* works (which specialised in the utilisation of slaughterhouse detritus)⁴⁷. However, the case is still under appeal before higher courts.

On the other hand, production lines in many food-sector companies did not require the employment of a highly-qualified workforce.

An employee of one of the firms claims that there are no permanent forms of participation in this sector, though agreements occasionally appear on an *ad-hoc* basis, for the purpose of consultation and delegation, particularly with more-experienced workers. This usually occurs between the director of the works, the production chief and the foremen.

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Participation tends to be practised more intensively in longer-established firms. According to a trade-union chair, the directors of *Agros Nova* have frequently highlighted that the idea of "kaizen", a philosophy of continuous engagement with ideas designed to improve the organisation of the firm, engaging employees on all levels, is a key concept for the firm. The company has even created a special division responsible for the implementation of practices involving employees.

According to our interviewee, individual consultations are taking place continually between shift leaders and the workers for whom they are responsible. These touch on many topics, including the organisation of labour, working hours, product quality, or indeed the implementation of new technologies, working conditions, or upskilling. Pointing to any dominant topic in these consultations is difficult, as these types of conversation take place daily, and have no predetermined formula.

Individual task delegation is not usually applied, due to the fact that the firm applies a four-shift production system. Individual workers know their timetables seven days in advance. A production-line system is not conducive to employee autonomy.

However, workers can report innovative ideas to their direct superiors. These usually touch on the organisation of labour in a given post. If such an idea is accepted, then the employee may count on a reward. These are granted every quarter, or every half-year, as part of a bonus system.

⁴⁷ <https://wiadomosci.wp.pl/byly-senator-henryk-stoklosa-skazany-za-korumpowanie-urzednikow-6031589866607745a>

So-called "project teams" are frequently formed for the purpose of group consultations. These seek opinions on new products, or the use of new technologies, or new methods of production-line organisation. While the groups meet regularly, a female interviewee informs us that participation in them is broadly speaking compulsory, which cannot by definition indicate classical participation. Nonetheless, as our interviewee underscores – "people do not have to be persuaded to join – they are eager to do so independently". At the same time, it is the management that decides on employees' mode of work. It also decides on the extent to which solutions suggested by each group are implemented. The leader is usually a member of the management team.

In turn, feedback and consultation usually occur via trade-union channels, rather than directly. Monthly meetings are held with the directors, during which matters relating to wage increases, the management of the Social Fund and employee training are held (in the latter case representatives of the groups organising training are also present, since in many cases such workshops are set up to explain the use of particular types of machinery). A current "hot topic" is Sunday working.

Factors favouring participation

In the opinion of one union member (who works as an independent specialist in logistics) in a firm in the spirits industry, participation and cooperative decisionmaking are the result of a specific method of corporate organisation and ideology. In his opinion, the intensity of participation depends on the extent to which company leadership can motivate managers to delegate tasks to workers, and give them ownership of their projects. "A situation in which participation is only the result of the individual will of a given manager is undesirable. It should rather be the result of the organisational culture of a given firm, of its consistent actions."

In the firm in which he works (French capital, 120 employees, collective agreement in place), the management is very willing to delegate tasks for employees to complete autonomously. Workers often take part in projects, and questionnaires, and have a strong sense of being able to influence the development of the firm, including in matters of social responsibility.

Another interviewee perceives the evolution of the old style of management into a new method of constant communication with employees. He indicates that, once a month, managers of production departments meet with a small group of employees to discuss the situation in a given division. The workers report their feedback on the system of work, and its organisation. Some postulates and remarks are then integrated into the system of organisation and management. Most workers' comments relate to the allocation of jobs, due to the different levels of pay in each role, though there are also many comments on the organisation of work within a given division. The meetings take place in the divisions of cutting, and fresh meat, as well as food processing, and ready-meal production. Union representatives active within the factory take part in all the meetings.

In one of the companies, participation is present in the form of rationalisation clubs; a good example being the company's water-saving programme. As a result of the introduction of new technologies, as well as rationing proposals put forward by employees, the company's overall water usage has been reduced. Employees also took part in the development of a system of employee appraisal. However, the management succeeded in blocking all discussions on workers taking a share in company profits.

Another company erected comment boxes by their production lines. However, it transpired that some of the comments were poached, and then re-submitted by other employees eager to win bonuses. No more ideas are forthcoming now. The comment boxes have been abandoned.

Several years ago, one of the companies developed a programme called "I've got an idea", through which employees can submit ideas and projects by which to streamline the production process, save money, improve media relations, etc. A committee is at work to make periodic judgments on the usefulness to the company of the ideas generated. The best projects are awarded material prizes.

Questionnaires and opinion polling among employees are a feature of another company. However, there are fears that these will not remain anonymous. After computing the data, the HR team meet up with the workforce to discuss the results. "They are careful to select the less meaningful feedback. It then turns out that everything is in order. The HR team can shine."

Participation is thus far from ubiquitous within the sector, and our interviewees cannot name any companies particularly renowned for practising it.

The benefits of participation

Our interviewees are fully aware of the meaning of participation. One union activist highlights the fact that the delegation of tasks to employees, and their participation in projects, has an immense impact on the effectiveness of their work, productivity, and loyalty to the firm. "An employee who takes part in a given project, or one whose work impacts upon the general good feels needed, and thus motivated."

One union activist⁴⁸ indicates that people generally tend to have ideas that can be used. However, a capacity to inspire is needed. Furthermore, there will always be some who are interested in a higher level of participation.

Employees would be more interested in deepening their engagement if they were allowed to take part in a greater number of meetings, and if they had a deeper sense of being able to impact upon matters relating to the firm. Meanwhile, many employees feel that there is a significant distance between themselves and their superiors. Some of the managers make it very clear that low-level employees do not have the competencies to participate in cooperative decisionmaking. "An industrial engineer appears to know everything, while he himself last worked the production lines 10 years ago. Young managers often have no idea how to estimate how many workers are necessary on a given stretch of the production chain. They aren't able to assess how tough the work is likely to be." "The managers think they know it all."

The future of participation. According to our interviewees, the future of participation depends mostly on the level of trust and conviction amongst managers that the ordinary employee also wants what is best for the factory, and has the competencies to engage in joint decisionmaking. This depends more on personal culture than officially regulated guidelines for participation.

"It is also important that managers stop concentrating on protecting their own positions, and begin to cultivate a broader outlook. They do not perceive the value of participation. They fear that their position will become redundant, if workers themselves can coordinate their own tasks – or that someone more talented will emerge."

Case study

The firm known as M., described as a family firm, is located in southern Poland. It developed after 1990. Members of the family who own it maintain its connection to a company founded in 1900 by

⁴⁸ Working in a firm that employees around 300. This is unionisation at the level of 1/3. The *OPZZ* has 70 members, "Solidarity" 50. Young people are not very willing to sign up.

their ancestor, though this was a shop with ‘colonial’ wares. Later, a restaurant was opened by the same family, and finally a concrete-laying company.

After the systemic change in Poland, the grandson of the founder of this firm decided to continue running the business. He transferred ownership of the firm to his wife, who gave the company its name. It began with the production of coffee creamer, and soon after started to produce instant coffee under the name *Mokate Cappucino*. The firm achieved a large market share in this sector. It also entered the market for sweet snacks, biscuits, and readymade oatmeal. Currently, it sells its teas and coffees in Poland’s largest chain of grocery shops (*Biedronka*). It is the second largest company on the instant coffee sachet market. It is also the official Polish representative of Lavazza coffee.

The company employs around 1500 workers in several factories. It also has production divisions based in the Czech Republic, and exports to around 70 countries worldwide. Outside Poland, branches in the Czech Republic, Slovakia, Hungary and Ukraine are also active.

Industrial Relations. The company was founded in 1990, and quickly grew to be a large firm. However, no collective agreements were concluded within it, and its workers were not unionised. Unions were only founded within the company in 2017 - earlier attempts to form them had always ended in failure; fears of the managers’ negative stance towards such initiatives abounded. The situation was made yet worse by the widespread unemployment on the Polish labour market. Many feared the loss of their jobs, understanding their chances of finding new employment to be slim.

It was therefore no coincidence that the final attempts to unionise the workers in the factory occurred in 2017. This was a period during which the situation on the market experienced a seismic shift, with employers now feeling the paucity of readily available labour quite keenly. Moreover, the unions, particularly “Solidarity”, felt they would have the support of the government in any potential conflict with the management, or the owner of the factory.

Some 150 people from two factories in Żory and Ustroń (which together employ some 700 individuals) joined the unions – according to Czesław Chrapek, the chairman of the inter-factory “Solidarity” union in Skoczów. He adds that the workers all clubbed together. A committee was formed, though workers were initially reluctant to reveal their membership of the unions⁴⁹. ”In many factories in our region, revealing union membership marks an end to one’s career. Those who wish to become foremen must leave their unions” – reports C. Chrapek.

Nonetheless, in spite of fearing their overseers’ reactions, 4 unionised workers recently revealed their status as committee members. The firm’s leadership reacted angrily⁵⁰. In a short while one of them was laid off, the other resigned ‘voluntarily’, while the chair availed herself of maternity leave.

The formation of the union was a reaction to the worsening labour conditions in the factory. The workers’ pay was very low. In November 2017 a group dispute action was initiated by the union against the management of the firm. The unions immediately accused the Board of discriminating against unionised workers, and unwillingness to engage in dialogue. They brought a case against the firm before the Prosecutor’s Office, accusing the company of forcing resignation from union membership. The conflict also touched upon matters of wage increases. The workers lament the non-existence of a social fund within the company, and take issue with the system of pay bonuses.

⁴⁹ Organizacja związkowa NSZZ Solidarność przy Mokate S.A. <http://pracowniczasolidarnosc.pl/>

⁵⁰ <http://www.solidarnosc.org.pl/bbial/solidarnosc/solidarnosc-w-spolce-mokate-zwiazkowe-poczatki/>

They also lodged complaints about several managers who, in their view, pressured employees to resign their union memberships.

In response to this dispute being brought, the employer immediately retorted that postulates of this kind could not be complied with; though a meeting with the workers was agreed to⁵¹. Consequently, C. Chrapek met with the owner of the company. He admitted that the problems reported by the workers never reached the Board, and that middle management had been blocking the lines of communication.

Conflict surrounding pay scales had been present in the firm for a long time, though they had initially remained frozen. The workforce did not complain, because the atmosphere in the company did not encourage complaint. However, in the past few years employee disillusionment has begun to be expressed more vocally amongst the factory workers, and this dissatisfaction ultimately reached senior management. This in turn gave rise to the attempt to have a union within the factory.

However, the union activist indicates that the situation of the workers did improve in the aftermath of a meeting with the company owner. He became more interested in the problems of the ordinary worker, where previously he had not even known about them, because the middle management passed on information to the effect that the workforce was not reporting anything connected with pay.

According to Czeslaw Chrapek, the union wanted to assist in the resolution of conflicts, which soon began to mount, and as a result of which the quality of returns was falling fast, while their quantity was increasing.

A long-term manager in the firm indicates that the owner of the company treats the company in a very specific manner – regarding it as an extension of herself. Her reaction to the creation of independent trade unions was therefore similar to that which would have ensued had someone entered her home without forewarning, or even broken in. It is a psychological matter. She is prepared to negotiate, in order to have peace, and mollify the workers, but agreement to the formation of independent bodies is hard to imagine; all the more so as the firm has been almost entirely family-run for the past few years. In 2016 the son of the current owner became CEO⁵².

Participation. One unionised worker in the firm indicates that the corporate climate was not conducive to participation, especially in relations between the factory workers and their superiors. The managers treated the workers as if they were machines. They saw no value in gaining their opinions.

The workers suspected that certain matters had been resolved in contravention to the rules. One example was the competition for ‘packer of the year’. The selection criteria were not made clear. The prize was won by a worker outside the production division. Only in 2017 did the new head of production promise that the workers themselves would be able to choose an individual to distinguish

⁵¹ Ministry of the Family, Labour and Social Policy of the Republic of Poland, *Monitoring Konfliktów społecznych* – November 2017;

<http://www.dialog.gov.pl/gfx/mpips/userfiles/s.krajewska/MONITORING/2017/LISTOPAD%202017%20-%20monitoring%20konfliktow%20spol..pdf>

⁵² <https://www.mokate.com.pl/grupa-mokate,adam-mokrysz,275.html>

with the award. In line with the new rules, the criteria for judging a worker worthy of the prize should be a limited number of complaints (which occur when one product is mixed up with another).

Moreover, the managers did not take into account the postulates of the workers to train new workers, who were then only able to learn on the job, thus lowering productivity, and increasing the number of complaints received.

- The atmosphere was one in which a worker should be trusted to work, and not speak, and be happy to receive any money at all. In periods of high unemployment, the managers threatened to lay workers off if they were disobedient. The managers said that beyond the factory gates there were many willing to work. Currently, the threat of choice is that of Ukrainian workers, who are indeed ever more frequently employed in place of locals, and constitute some 20% of the workforce. Most of the latter were afraid the management based their leadership style on fear.

According to our interviewee, a firm will always lose out on bad treatment of employees, as the quality of production will be lowered, and the rate of product returns will increase. In his opinion, the middle management are responsible for the mistreatment of at least some of the workers. The heads of production show little initiative in the face of their direct superiors. The real state of the firm is not openly discussed "they are just puppets – even when they want to do something about the situation, they always fear a higher power, the director". The problem is their low level of competency and education which leaves them very servile. In order to strengthen their own positions, they constantly reassured their superiors that they were the guarantors of contentment on the production lines.

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