



FEDERCHIMICA
CONFINDUSTRIA

The *Industrial Relations System* in Italy and the Chemical industry

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Paolo Cuneo – Federchimica

Federchimica

- **17** associations - **1400** companies - **90.000** employees
- **Social partner of Trade Unions** in the sectorial industrial relations and in the **National collective agreement** which is applied to the Chemical, chemical-pharmaceutical, chemical fiber, abrasives, lubricants and LPG industries

Second manufacturing platform in Europe with widespread entrepreneurship

Value added
of the manufacturing industry
(billions of €, year 2015)

1.	Germany	623
2.	ITALY	233
3.	UK	224
4.	France	219
5.	Spain	139
6.	Ireland	87
7.	Poland	75
8.	Netherlands	71
9.	Sweden	67
10.	Austria	57



**Large, qualified
and sophisticated
demand for chemical products**

Role and challenges for human resources and *Industrial Relations*



Human Resources scenario: main characteristics

- High economic and political uncertainty
- Deep and fast changes, towards unknown worlds
- Industry 4.0 and the technological jump
- Low growth in Italy to reduce public debt
- Chemical industry: better than many other sectors



Which role and challenges
for *Industrial Relations*?

Key role of Human Resources



We need new **skills**
and more **flexibility** ...

... but there are objective **difficulties**
in front of **changes**



- ✓ High *average age*
- ✓ Technical training
- ✓ Professional growth through experience..

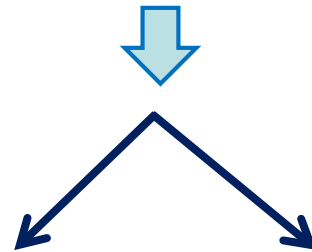
Combining Productivity and Low Growth

- Common actions to improve the **System Productivity**
- Quality of **Human Resources**
 - ✓ higher **organizational flexibility**
 - ✓ much **training**
- Flexibility from NCA in order to merge **different requests**
- Variable pay **related to productivity**
- Appreciating the **intergenerational differences**



Industrial Relations and Competitiveness

**Quality, Participation,
Innovation**



at **Country**
level

at **company**
level



Collective bargaining system in Italy

National intersectoral bargaining: general working conditions, social and economical problems.

Main Unions: CGIL, CISL, UIL

Sectoral level: information, consultation, participation and bargaining about wages, work conditions, working time, HSE...

Company level: labor and production organization

Chemical System of Industrial Relations

The Chemical National Collective Agreement is able to ensure duties and rights, but also to:

- match expectations and catch **opportunities**
- guide **behaviors**
- promote change in **culture** of relationships
- develop **productivity**
- sustain the **Social Responsibility**

The importance of a good Industrial Relations System

- It's an instrument of **Social Peace**
- It allows to prevent and/or resolve **conflicts**
- It promotes **transparency and cooperation**
- It's an **innovation** and cultural development tool
- It facilitates and promotes **Social Responsibility**

The History of the Chemical system of Industrial Relations

- capacity to **promote** “culture”
- propensity to **innovate**
- capacity to lead and **orient** behaviors
- continuity and **unity** of sectorial Trade Unions

Osservatorio Nazionale

- Established in **1986**, it has made a decisive contribution to the affirmation of the chemical model of Industrial Relations in the Italian scenario
- In this context we've registered the most significant and **innovative contractual experiences** of the Chemical Sector
- This method has made possible to consolidate a successful concept for negotiation:



ALWAYS START FROM A **SHARED**
KNOWLEDGE

WelfareChem

- Is the word created about **10 years ago** to underline the commitment of the chemical sector in the field of Welfare
- Is the name of Chapter XIII of NCA, a choice of **Social Responsibility** in order to meet the needs of companies, workers and their families in areas that have a social relevance

The importance of Social Responsibility choices

Intangible aspects:

- participation
- relationship with the local community
- ethical behavior

Tangible aspects:

- visibility and certainty of the total costs for the companies and the real benefits for workers
- employee motivation
- productivity
- customer loyalty
- relationship with local institutions

The Sectoral Funds

Fonchim: sectorial fund for supplementary pension

- 2,500 member companies
- 150,000 workers participating
- 5,6 billion euros of funds administered
- 37,000 euros to the average heritage per member

Faschim: national sectorial fund for supplementary health care assistance

- 2,100 member companies
- 195,000 member workers (79,000 families)
- Heritage 83,6 million €

HSE: a priority issue for the Chemical Sector

Common goals

- Continuous improvement
- Management and Prevention of risk factors
- Sustainable Development

Shared values

- Health and Safety
- Respect for the Environment
- Development of production activities

Workplace injuries

(N° per million hours worked)

Basic metals	24,3
Wood	20,0
Metal products	19,6
Non-metallic mineral products	18,2
Rubber and plastics	17,7
Food	16,6
Paper	16,2
Maintenance	15,9
Furniture	15,5
Other means of transport	14,0
Machinery	13,7
Auto-vehicles	11,9
MANUFACTURING INDUSTRY	11,9
Beverages	11,9
Electrical equipment	11,6
Printing	11,4
Textile	10,1
Tobacco	9,9
Chemicals and basic pharma	9,5
Other manufacturing industries	8,8
Leather	8,5
Electronics	6,0
Pharmaceuticals	5,8
Wearing apparel	5,6
Coke	4,2

Note: average 2013-2015,
Manufacturing ind.= median

Professional diseases

(N° per million hours worked)

Other means of transport	1,60
Leather	1,26
Non-metallic mineral products	1,10
Metal products	0,90
Food	0,86
Auto-vehicles	0,85
Basic metals	0,85
Wood	0,78
Furniture	0,71
Wearing apparel	0,69
Tobacco	0,53
Maintenance	0,44
MANUFACTURING INDUSTRY	0,43
Rubber and plastics	0,42
Paper	0,40
Electrical equipment	0,38
Textile	0,37
Other manufacturing industries	0,35
Coke	0,34
Machinery	0,30
Chemicals and basic pharma	0,30
Printing	0,25
Beverages	0,18
Electronics	0,13
Pharmaceuticals	0,06

Note: average 2011-2015
Manufacturing ind.= median

National Collective Agreement

Strategic Goals



Consolidate the Sectoral System of Industrial Relations at all levels

Promote a company bargaining in line with the NCA goals

Garantee **Salary increase** in line with the rules

National Collective Agreement

Participation

training

Simplification



**Industrial Relations and
Company bargaining**

Social Responsibility and Welfare

Healty Safety and Environment

Productivity and Occupability

Osservatorio Aziendale (company observatory)

a not-negotiating context to promote dialogue, comparison between the Social Parts, analysis focused on business items (mandatorily required for businesses over 50 employees)

NCA 2016: Mandatory training for Union Representatives

- Aimed for Workers representatives
- Opened to company managers
- First module: realized jointly by Federchimica and Unions and focused on Industrial Relations issues, NCA and company bargaining
- Second module: realized by company jointly with local unions and strictly linked to business issues