



# A EUROPEAN MANUAL

for Employees' Involvement  
in the Trade Sector in Europe



Co-funded by  
the European Union

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# INTRODUCTION



Open for Business – Streamlining Employee Participation in the Commerce sector for adapting to the new forms of work - is European project co-funded by the European Union with the participation of entities from Spain (coordinator), Poland, Italy, Greece, Serbia, Montenegro and Romania (associated) with the **objective to enhance participatory procedures in the commerce sector** by facilitating the engagement of workers in decision making via information, consultation and participation mechanisms in the companies, and to facilitate exchanges of best practices at European level.

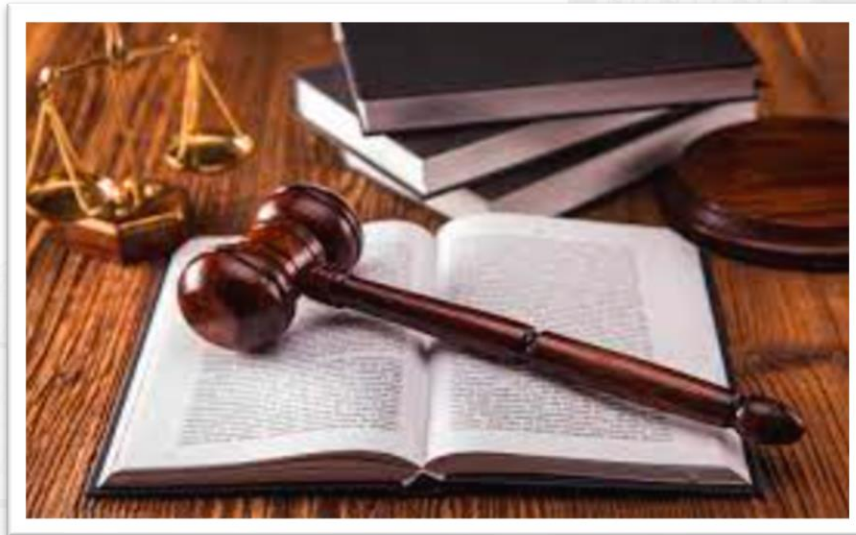
The document here within is one of the deliverables of the project – the European Manual for Employees’ Participation and it is a product of work with the contribution of all the project’s partners and their research carried out in their national contexts, such as seen in the National Reports.

The 20-month-long project aims to facilitate the joint work by developing evidence-based recommendations for employee participation, and this document – the European Manual for Employees Participation will be one of the assets to be used for that objective.

The document starts with discussing the “Legislation and Policy Making” , then it reiterates the fact that employees’ participation is, once again the “Elephant in the room” when it comes to the relationship between employees and employers, and lastly it gives some best practices under the section “Drops of water in the desert”. Finally it finishes with giving three top conclusions for the betterment of employees participation under the section “Tangible assets are needed now”.



# LEGISLATION AND POLICY MAKING



Employee participation is not covered by European legislation or national one.

The basic document regarding the legislation in the European Union from which originates the national law based on the issue, is: **The Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community**. The European Member States participating in the project have adopted this Directive into their own national normative, such as it is shown in the National Reports. The two non-EU countries, but aspiring-to-be, have been influenced by the Directive for the design of their national laws. The object and principles of the Directive 2002/14/ES are seen in the figure. There exists no specific mention in terms of legislation regarding the participation of employees in the companies. Nevertheless, two decades after the design of the legislative measure, the context of business and in particular that of the trade sector has changed to that extent, that the participation of employees is considered as one of the three pillars of the social dialogue, as well as it is deterministic for the welfare of the company and the whole agents around it.

## Article 1

### Object and principles

1. The purpose of this Directive is to establish a general framework setting out minimum requirements for the right to information and consultation of employees in undertakings or establishments within the Community.
2. The practical arrangements for information and consultation shall be defined and implemented in accordance with national law and industrial relations practices in individual Member States in such a way as to ensure their effectiveness.
3. When defining or implementing practical arrangements for information and consultation, the employer and the employees' representatives shall work in a spirit of cooperation and with due regard for their reciprocal rights and obligations, taking into account the interests both of the undertaking or establishment and of the employees.

Therefore, this manual brings forward two main points to be taken into consideration regarding legislation and policymaking for employees' participation in the trade sector in Europe.

## Continue with encouraging Employees' Participation

The European entities need to continue their good effort to encourage employees' participation in a diverse context

The national entities need to advance their measures for employees participation by taking into consideration the most successful cases in Europe

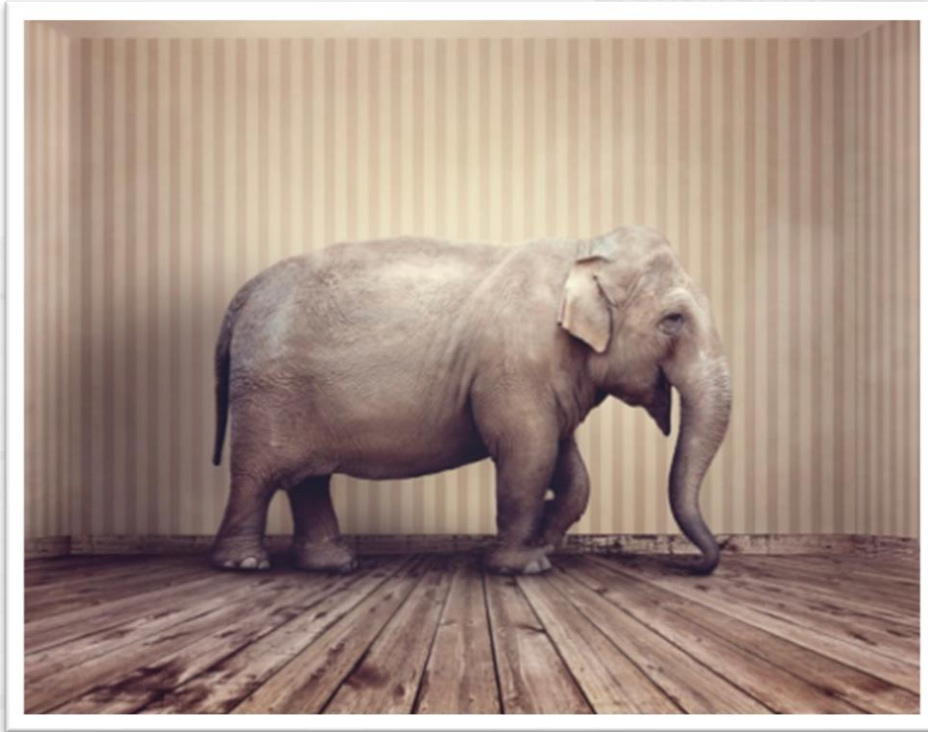
The Social Dialogue actors need to work even harder by convincing companies to place employees' participation among their priorities.

## Design positive Incentives for Effectiveness

Both at European, national and regional level, create incentives that benefit (fiscally, financially, in terms of recognition and value) the companies that have better achieved employees' participation.

Be inspired by former policies like Corporate Social Responsibility and Gender Equality that have achieved success in the private sector.

## THE “ELEPHANT IN THE ROOM” – TACKLING THE LACK OF PARTICIPATION ISSUES



The research carried out by the national teams of the European project “Open for Business – Streamlining Employee Participation in the Commerce sector for adapting to the new forms of work” reiterate the fact that employees’ participation is not felt, understood and tackled in the same way at different levels inside the company. The surveys bring out results from trade sector companies from Spain, Poland, Italy, Greece, Serbia, Montenegro and Romania.

The survey results in all the companies of the seven countries around Europe indicate that employers do not consider the employees’ participation an issue to be worried about, while employees themselves do not feel involved enough in the decision-making process. At the same time, the employers believe that they are working (with improvements to be made in the future) for a more effective participation.

There exists therefore a critical issue that needs to be addressed in a sustained and decisive way.

To a certain degree, as years pass by and the European trade sector has passed the financial crisis of the 2010s, the Pandemic of the 2020s the employees’ participation aspect has become a worrying aspect, as well as it has become an “elephant in the room”. It certainly exists an issue with employees’ participation in the companies they work, yet to-date we have not been able to tackle it at the majority of cases in a sustained and comprehensive way.

Knowledge around the subject suggests that a more effective involvement of the employees would not only improve the quality of work and life around it, but as well it could increase the productivity and the profitability, and therefore enhance all the socio-economic conditions of the area the company operates.

A few headlines about the importance of employees' participation for both the employers and employees is included in the graph below.



## Important for Employers

**Participation brings Awareness and Unity.** Workers that participate are more empathetic towards the company's benefits and they behave as one in their co-shared benefits.

**Participation brings Higher Quality of Process and Product.** Workers that have been involved in decision making understand and perform better their tasks in the company.

**Participation brings Quality of Life.** In spite of some initial dedication to create the right environment of participation, workers that participate in the company's decision making processes report to being more happy with their work.

**Participation brings Desired Responsibility.** Workers that feel involved own their actions and are more responsible to perform them.

**Participation brings Agency.** Workers feel like they belong and they work with more care in the company for a joint benefit.



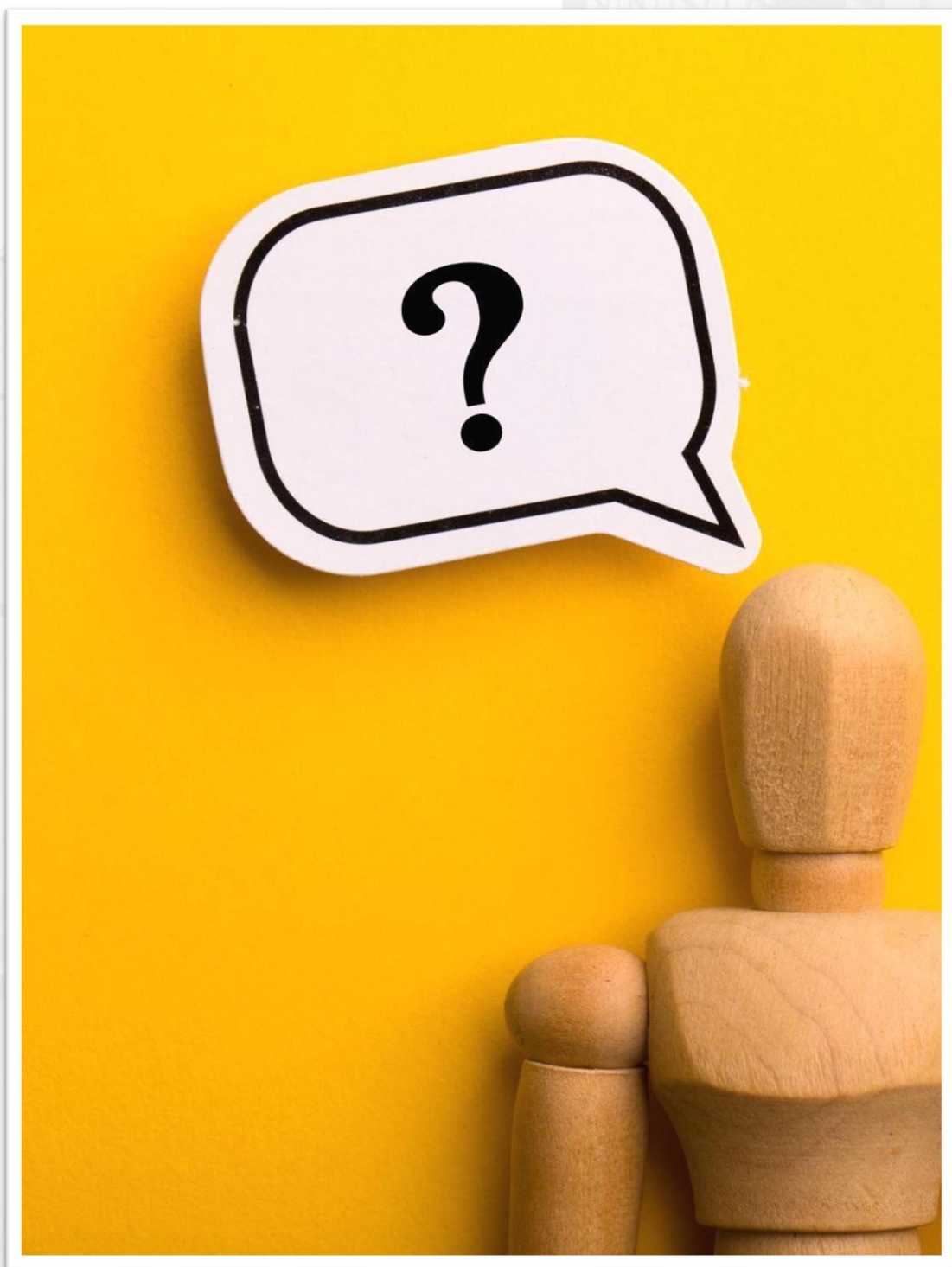
## Important for Employees

**Participation brings Desired Awareness.** Workers who participate in decision making processes, understand their work and the objective with a higher degree and therefore their level of consciousness is higher.

**Participation brings Dedication.** Workers who participate are involved in their everyday tasks with more dedication, therefore their tasks are more worthy than just performing them without dedication.

**Participation brings Quality of Life.** In spite of some initial effort to create the right environment of participation, workers that participate in the company's decision making processes report to being more happy with their work.

**Participation brings Agency** Workers feel like they belong and they work with more care in the company for a joint benefit.



## “DROPS OF WATER IN THE DESERT” – SOME SUCCESS STORIES EXIST



While there is a generalised need for improvement on employees’ participation among the companies of the trade sector in Europe, the project national teams have been able to identify three best cases, an outcome of their case-study analysis carried out during the research phase of the project.

These companies are:

- Leroy Merlin from Spain;
- Leroy Merlin from Greece and Cyprus; and
- Delia Cosmetics from Poland.

The work these companies do as regards employees’ participation is inspiring. This Manual brings it forward to be shown and used if necessary.



## LEROY MERLIN (A MULTINATIONAL BIG COMPANY)

### THE CASE OF LEROY MERLIN IN SEVILLA, SPAIN

(Information here within is taken by the Spanish National Report.)



#### *Company profile*

Leroy Merlin is a French-originated chain of shops specialized in DIY, construction, gardening, decoration, and bathroom furniture. The first shop was created in the year 1923 in Noeux-les-Mines, and in 1989 their first Spanish shop was opened. They currently have 74 shops in Spain, and more than 15,000 direct employees and more than 30,000 indirect jobs linked to Leroy Merlin in Spain.

It is a company committed to the principles and values of social responsibility, ethical management and good corporate governance practices. This commitment is reflected in its Corporate Social Responsibility Policy, its Code of Ethics, and the different certifications, recognitions or distinctions that the company has and that accredit this commitment.

- In 2020, FORBES magazine included Leroy Merlin as one of the 50 best companies to work, reaching the top 3 of the ranking in Spain.
- 62% of positions of responsibility are covered with internal promotion.
- 93% of workers are shareholders of the company. In 2020, 44 million euros of the profit were distributed among the company's workers.



- Top Employers Spain Certificate by the Top Employers Institute
- 20th place in Merco Empresas Responsibility and Corporate governance.

This case study has focused on the headquarters of Leroy Merlin Seville (in Alcala de Guadaira), where the company has 177 employees.

The participatory procedures introduced significant organisational change in the company. The interviewees made with HR manager and workers' union representative, member of the European Works Committees-EWC of the company have provided information about these changes, its substance and the consequences for both company and working conditions.

### *Organizational change and its drivers*

Leroy Merlin can be analysed as a case of good practice, since, as we will explain below, its human policies and practices directly involve worker participation in the company's decision-making processes. The survey reflected this good practice carried out by Leroy Merlin Seville, but thanks to the interviews with a company's human resources manager and a trade union representative, it was possible to explain in detail the characteristics and circumstances of these practice.

Employee involvement processes are defined and understood by HR Manager of Leroy Merlin as:

*“Any type of project in which the opinion of the organizations employees is required, in order to work on the basis of this opinion in achieving the objectives set by company.”*

Leroy Merlin understands the need to implement workers participatory policies to achieve the goals of the company.

*“Employees are the most important and differential asset for our company, in coherence with this our model of employees' participation that is based on four main axes:*

- ☐ *Sharing the WANT. We have a common goal: company Project and Values.*
- ☐ *Sharing KNOWLEDGE. Continuous training and 100% access to information.*
- ☐ *Sharing POWER. Participatory Management: Based on Delegation, Empowerment, and Autonomy.*
- ☐ *Sharing of the WORTH. Through our profit-sharing share-holding policies.*

An example that reflects the workers participative model of the company, which puts employees at the centre of its strategy, is the process of measuring the work climate implemented during the year 2021, based on quarterly *employee satisfaction surveys* named “EXI Surveys”

In these surveys 100% of the employees of the company are asked for their opinion on their level of satisfaction in the workplace and which practices, policies, employment conditions they consider could be improved. Once the company collect the information, which is completely anonymous, it is sent to each team and action plans are drawn up to solve the main points identified. In this way, company not only ask for the opinion of workers to detect possible problems or aspect of improvement, but they also work together with employees to find possible solutions to the proposals and concerns raised by workers.

The workers' union representative interviewed also mention this "Exi survey" as a good example of the participatory practices of the company and also the subsequent "*Working groups*" that are created to review and analyse the requests and needs raised by the workers.

*"The most highlighted or repeated issues raised during the surveys are identify and analysed in these working groups among workers and with managers. As a result of work done in these groups it is prepare a document with proposals, topics, requests, and procedures to create or improve in each store have been noted.*

*To the issues analysed by each work group a degree of priority to be implemented is given:*

- Issues with term 1 month*
- Issues with term 6 months*
- Issues with term 12 months*

The company encourage the participation of workers in these surveys and working groups through the publication of the announcement on the "company's social networks" or through worker representatives.

The company encourages workers to get involved and participate in surveys and working groups through the "*company's social network*".

Some changes in processes, procedures or activities that have occurred in the company in the last years as a consequence of these participatory processes:

- ✓ Work shifts of less than 4 hours have been minimized.
- ✓ Recovery of holidays and granted on Fridays if the section is covered.
- ✓ Prioritization of the option to change sections for anyone who requests it.
- ✓ Internal information for store vacancies.
- ✓ Face-to-face trainings with suppliers or installers have been delivered.

✓ Weekly briefing with managers has been conducted.

Among the conclusions raised for workers about this participatory practice they have stressed the importance of company carrying out this type of employee surveys and working groups on a more regular basis and with each of the company's projects or needs that refer to new procedures or organizational changes.

Some positive effects raised by the workers regarding the changes implemented, the way of implementing them, the involvement of the workers in these changes, etc.:

*“Workers feel a sense of ownership, these participatory practices provide a sense of responsibility and control over their work environments. Workers feel the protagonists of the need, the facilitator of the solution, and the protectors of its execution. This proactive attitude leads to workers to a positive attitude when address any need, first look for the solution and visualize the needs of the company and the workers so that the proposal can be made effective”.*

Among the main conclusions raised by the representative of the management, the HR manager that can help other companies:

*“For any project to implement, employees need to understand the "why" and "what for", which means that managers must continuously dedicate quality time to inform, to accompany and to involve employees in the organizational change strategies”.*

### *General conclusions and recommendations from the Spanish report based in the Showcase-Best Practice of Leroy Merlin*

The most important conclusions of the study are as follows:

- Participatory procedures in companies where there is legal representation of workers are more effective, as this participation is normally articulated through these bodies.
- There are differences in terms of company size, with larger companies implementing more employee participation policies and strategies, or at least communicating them more effectively.
- Organizational changes introduced, which gave employees more involvement in decision making, produced satisfactory results from both the companies' and employees' perspective.
- When workers feel listened to and valued, they are more likely to feel motivated and committed to their work and to the company itself. This can lead to higher productivity.
- By including workers in the decision-making process, the company can gain a variety of valuable perspectives and insights, which can help make more informed decisions.

- Companies that promote workers' engagement and dialogue can enhance their good quality visibility in their sector and beyond. brand. Image and reputation. This can help attract and retain talent, as well as attract customers and business partners who value a positive and engaged work culture.



Among the recommendations:

- To have desirable results employee participation must be part of a strategic and systematic HRM policy within an organizational culture that favors worker involvement.
- A cultural change is also needed in companies, so that employees and their representatives are seen by management as strategic partners in achieving their business objectives.
- It is therefore necessary to work to build relationships of trust between workers' representatives and the company, as this is the only way to achieve the objectives of social dialogue, i.e.: to seek solutions that integrate the interests of both parties.

## THE CASE OF HELLAS AND CYPRUS, GREECE

(Information here within is taken by the Greek National Report.)

### *Company profile*

Leroy Merlin Greece and Cyprus, was founded in 2005. Today, it has eight stores, seven in Greece and one in Cyprus, offering complete solutions for any construction, renovation or improvement of any space, at the best price on the market. It markets more than 45.000 product codes and provides services that untie the hands of customers. Leroy Merlin employs 1400 workers in Greece and Cyprus and 60% of purchases are made from 450 Greek suppliers.



Two representatives of employees of Leroy Merlin participated in the interviews:

- Engagement & Transformation Leader
- Risk Management Leader

Both have been working in the company for more than 10 years.

### *Methods*

The questions which participants were asked to answer were:

1. What do you understand when you hear the term “participatory procedures”?
2. Can you describe which participatory procedures take place at your company? How were they established?
3. When were they established?

4. What is your opinion about the participatory procedures in your company?
5. Did you encounter any problems?
6. Could you give examples of other participatory procedures that are organized in other companies?
7. How do you compare the procedures that take place in your company, with the procedures followed by other companies?
8. What would you change/add to the participatory procedures in your company?
9. Can you please talk a bit about the role of the different profiles that are at the company?

Before conducting the interviews, the questions were sent to the participants, which they answered in writing. During the interview, both members of Leroy Merlin participated in order to provide further details and explanations. Furthermore, they explained that many of the participatory procedures which are implemented in Leroy Merlin Greece and Cyprus, are the same or very similar to the procedures organized by Leroy Merlin Spain, with some differences only in their implementation procedures.

An important fact mentioned by the participants is that there is no works council established in the company, which is in fact a result of the company's culture to promote the concept of participatory processes. Because of communication which is also translated into participation into many elements of decision-making levels, the employees do not feel the need to be represented by an established union of workers.

### Q&A

Below are their answers:

*What do you understand when you hear the term “participatory procedures”?*

A fundamental element of the culture at Leroy Merlin is sharing, which is expressed through 4 dimensions that guide daily actions of all of us:

- A. SHARING THE WILL
- B. SHARING THE KNOWLEDGE
- C. SHARING THE ABILITY
- D. SHARING OWNERSHIP

These concepts, even if initially obscure, reflect the logic based on which the company promotes the concept of participatory processes.

- A. Through our leadership model (authenticity, receptivity, interdependence, effectiveness), each of us remains committed individually and collectively.
- B. Continuous employee training and development, free access to information. These are elements of our culture.

- C. Employees have the initiative and decision-making in the projects they take on and are responsible for their results.
- D. Employees share in the benefits (value) resulting from the actions and performance.

*Can you describe which participatory procedures take place at your company? How were they established?*

- EXI employee satisfaction survey, followed by a presentation and discussion of the results by department and a collective decision on the actions to be implemented. This is a survey which is conducted in all members of the Leroy Merlin group, in all countries and measures the satisfaction of employees. It is anonymous and elements are applied so no one can be identified when answering the survey. In Greece, all the managers and team leaders have access to the consolidated results of the survey for their team, through an online platform. After the results are ready, they organize meetings with their teams to discuss comments and suggestions from the survey and decide all together as a team, what they are going to improve in the next period of time, until the next satisfaction survey. Thus, all employees can co decide what actions will be implemented in the near future and also see what results their participation in the survey brings. Questions in the survey vary per country. There is a group of questions which are common for everyone and then each country differentiates by adding more questions, if they want to gather opinions about a specific topic or area of the local company.





The answers given by the participants in the survey refer to the operations and elements of the team in which they belong. Strategic decisions are handled by the main management of the company. An employee can write suggestions in the survey which may refer to strategic decisions of the company, but these are not applied when discussing the results in the team, rather the team leader can deliver these suggestions to the upper managements to decide.

- Establishment of an annual budget

This is a bottom up approach. Each team of employees discusses and suggests what the budget will be for the next year in the specific team. Then the team leader has a meeting with the CFO to explain why they suggested this and the final budget is then calculated for the whole company, based on these suggestions and subject to approval.

- Creation of annual objectives

This follows the same concept as above. The top management team suggest the strategic objectives of the company. All departments and teams have a 2-day meeting, where they work on how their department/ team can contribute to these objectives and decide on the goals/objectives of the team. Afterwards, there is a meeting between the leaders of each store and discuss the objectives set by their departments. Thus, all are aware of the objectives set by other departments and can see if there can be any synergies between stores and HQ departments.

- Quarterly 'progress' bonus

This is the results of participation of employees in the company. It is like a bonus, calculated based on the salary of the employee and depending on the country and each specific store based on sales but also based on reduction of variable costs. This employees feel that they are a part of the results of the company.

All the procedures mentioned above contribute to the active participation of employees in the day-to-day operation of the company and to remain committed.

Examples:

- Communication (creating internal communication channels)
- Internal customer service (improvements to the company's ERP system)
- Inventory management - customer service (change in the organizational structure of the department)
- Supply chain management (management of customer service (management of customer service), creation of a distribution center)
- Remuneration-benefits (work-from-home model, provision of smartphones for professional and personal use, provision of a meal card).

### *When were they established?*

The anonymous EXI employee satisfaction survey was launched in 2021 and takes place quarterly.



The other procedures were established since the early years of the company's establishment.

*What is your opinion about the participatory procedures in your company?*

Participatory processes are an integral part of the culture at Leroy Merlin Greece and Cyprus. The group encourages and promotes processes that are driven by employee participation in various areas of everyday working life. As employees of Leroy Merlin Greece and Cyprus, we believe that the participatory process allow employees to freely express their views and be heard. We believe all this enhances engagement and satisfaction.

What is more important is that all information about the company is easily accessible for all the employees, e.g., sales figures etc., which can help employees make thus suggestions for their department/store etc.

*Did you encounter any problems?*

We have not encountered any problems in participatory procedures. They are a fundamental part of the company.

Some minor problem was the reluctance of employees at the beginning of the satisfaction EXI survey, where they wanted reassurance that the survey was actually anonymous.

Another problem is the lack of time, since employees have a busy everyday work day, so sometimes there is a problem to bring all the teams together to work on participatory procedures. Nevertheless, we try to find solutions to these problems and this is reflected through the high participation of employees in all the procedures applied.

*Could you give examples of other participatory procedures that are organized in other companies?*

We have no equivalent experience or knowledge from another company.

*How do you compare the procedures that take place in your company, with the procedures followed by other companies?*

We have no equivalent experience or knowledge from another company.

*What would you change/add to the participatory procedures in your company?*

All the procedures described are effective and meet all the requirements of the employees of the company.

There is one procedure which is going to be added in the future: Valadeo. This is similar to the bonus given every trimester. It is already applied in some countries and will come to Greece. In Valadeo, employees do not only receive a bonus but are also included in the results of the whole Leroy Merlin group, they become something like shareholders. They gain from the rise of the whole company's value.

*Can you please talk a bit about the role of the different profiles that are at the company?*

All employees are responsible for their area of responsibility based on their role. Each individual employee has a specific role and is responsible and accountable of their actions. We have 3 main roles in each department, business leaders (e.g., store managers) which are responsible for developing the strategy of the company, specialists (e.g., department managers in the stores), which are the implementors of the strategy and we have the category leaders (e.g., department employees in the stores), which apply the strategy but also have areas of responsibility where they can design specific goals which need to be fulfilled.

For the EXI's survey, there is a specific team in each country which launches the survey and decides on the questions to be included and implements it. This team also offers training to team leaders in order to explain to them how to manage the results of the survey and organize meetings with their teams. There is also a central department at group level, which decides on the core questions of the survey. This department consists of the members of the local country teams regarding the implementation of the survey.

Regarding the objectives of the company, the broad objectives come from the whole Leroy Merlin group management, then these are communicated in each country and are discussed in each individual team of employees. Based on these discussions, individualised and specified objectives are set in each retail store. This is a top to bottom approach. This is mainly applied in Greece and not in other countries.

Regarding the budget, each country forms its own budget, based on the procedure described above and then it is approved by the top management.

### *A brief conclusion*

The case study presents examples of procedures for information, consultation and participation of employees. In Leroy Merlin, there is a department for engagement, a regular satisfaction survey, formation of an annual budget, co-creation of annual objectives and a quarterly 'progress' bonus.

## DELIA COSMETICS, POLAND (AN INTERNATIONALIZED MID-SIZED COMPANY)

(Information here within is taken by the Polish National Report.)



### COMPANY PROFILE

Delia Cosmetics is a family company founded over 25 years ago by Mr Jozef Szmich, a chemist by training. It is currently in the succession phase, with his son, Mr Karol Szmich, taking over as CEO. It is a company that started from the proverbial scratch, a small number of employees, the chairman himself working on the production line, to one that is now employing over 400 people whilst owning two facilities, they have risen to be a powerful player in the cosmetics market. They have also won numerous industry awards and have a distribution network in more than 60 countries worldwide. They produce skincare, haircare and make-up products, both under their own brand and private label. Despite its enormous growth, this company still has the characteristics of a small, family-run business, without the rigidity of a corporate framework, which we think is quite an interesting subject for a case study.

Delia Cosmetics could be an example where the employee participation in the management of the company is a fluid area, without a precise framework and procedures. Based on the surveys, it seems to us that this state of affairs can be achieved and realised successfully through close, and sometimes personal, relations between management and individual employees. Delia Cosmetics is known among Łódź entrepreneurs for being a 'family-managed' company that has reached the size of a corporation. An important element of the considerations and analysis of the development potential of Delia Cosmetics as a "family" company is the aforementioned issue of succession.

Delia Cosmetics, while producing a huge variety of cosmetics, focuses on sales through chains such as Rossmann and its own online shop. At the same time, it does not have



a dedicated sales outlet. Delia Cosmetics is also a company that, despite the scale of its operations, shows a high degree of flexibility and the ability to quickly change its production profile.

## ORGANISATIONAL CHANGE AND ITS DRIVERS

The subject of the study in a change articulated as increasing the autonomy of employees at each level in decision-making related to the running of the business, which is expected to lead to a faster response to emerging market requirements or internal problems. Interviewees defined the employee participation and extended autonomy in decision-making in the following way.

“[I define workers’ participation in Delia as] involving the employee in decision-making processes, giving them a ‘free hand’ in certain matters, employee initiative, etc.” Logistics employee

“I define participation, in general, as employee involvement in the management of the company, business management. (...) At Delia, there is no autocratic management, giving mere orders to employees, but there is employee involvement.” Representative of the management

Earlier, all key decisions were made by the CEO and consulted with the leadership team, but together with expansion of the company too many decisions had to be made by the CEO. Therefore, a decision has been made to restructure the organisational structure to turn quantity into quality and to delegate as much responsibilities (and related decisions) down in the hierarchical structure of the company as possible.

“The company became so big that we could no longer do things the way we used to. There were too many decisions, too many things to do, and time is the one resource that cannot be produced. If I remember correctly, it was at a meeting with the department managers, and we simply ran out of patience. There were too many topics lying on the proverbial shelf, too many opportunities that were slipping through our fingers due to lack of decisions.” Former CEO of Delia Cosmetics

“[The organisational change] actually came the natural way and with the logical approach to the subject. It is known that, the boss, the board in general has a lot of issues to discuss on a daily basis, a lot of visitors, time is limited. Every day, several times a day, I had to wait for a consultation with the chairman about pushing certain topics forward. It was slowing me down a lot, I felt it was making me miss some cool topics, some deals. They don't get done because of the fact that today’s market is dependent on the speed of our reaction, on the speed of our action. When my actions are blocked by a single signature, it becomes uncomfortable. And so, by taking a logical approach, we have developed a system which streamlines this for us and we can act more flexibly, more quickly.” Customer service employee



In this context employee participation is defined and understood as employee participation in processes related to the functioning and development of the company, granting autonomy in decision-making to workers.

“From the employee's point of view, I can see the benefits, if only because the employee starts to take part in decision-making processes, some kind of processes related to the development of the company. Generally speaking, I would look here for a synonym somewhere in the area of improvements and development more than problems and slowdowns.” Customer service employee

“The level of managers is involved, of course not in all topics, because some issues are implemented top-down, but topics that are related to big projects, certain challenges or team work that needs to be done well then managers are absolutely involved in an open way in all topics.” Representative of the management

The change was introduced about two years ago. However, it did not take the form of a defined procedure, described in regulations or an agreement with employees (trade unions). Participatory procedures are informal and stem from the new work organisation arrangements. Interviewees stressed that in the period since the change was introduced, practices of participation and greater autonomy in employee decision-making are still taking shape.

“It seems to me that the natural evolution of workers’ participation is the most relevant, maybe not necessarily 'procedures', but involving employees in decision-making, respecting and taking into account their opinion, this seems to me to be quite well developed at Delia. (...) It is hard to create procedures for something that is unique to each job. It's completely different for a production job, a secretarial job or a laboratory job. It is more about the employee himself knowing best what he needs to do his job effectively. By giving him a certain degree of decision-making authority, he will make his own job easier.” Former CEO of Delia Cosmetics

“Delia is moving as much as possible towards a company using these procedures. I think this is also related a little bit to the evolution that is taking place basically before our eyes. The company is growing at an incredible pace, the number of employees is increasing, the scope of our company's activities is growing, and because of this, the boss is no longer able to take care of everything himself and make all the decisions personally. He delegates certain topics to other employees and extends the responsibility and ability to make these decisions to lower-level employees, within the scope of management, of course.” Customer service employee

“Greater autonomy of the workers allows for better use of skills and competences of the workers, that may be used for the purpose of better company profitability. Generally, if someone is able to take a place, you have

to think about the future, how this company develops, also the team is the basis. In a team, participation is about taking part, it's extremely important, it's the team that counts, because it's the team, they know themselves later. This one goes to trade fairs, this one is good at English, one is a good negotiator, everyone has their own pros and cons.” Former CEO of Delia Cosmetics

Interviewees gave a number of examples how delegation of decisions down the hierarchy in the company works in practice.

“Simply put, where we know that we have the board's permission to make certain decisions, there it is applied, (...) We do not have fixed prices, which means that when a client approaches us, we do not tell them what it will cost immediately, we have to price it individually, because there are a lot of variables, sometimes the whole product is designed from scratch for such a client, and each variable, each element, each part of the price depends on, I don't know, what tube it will be, what colour it will be, what mass it will be, what fragrance, so basically these prices used to be previously dressed up in a spreadsheet and had to be accepted by the board. And currently, we have developed certain principles for creating these quotations and we can send these calculations, these prices, these offers on our own, of course, following certain principles, a certain procedure, but we no longer need to consult it with the top management. Customer service employee

## RESULTS OF INTRODUCING THE PARTICIPATORY PRACTICE

The increased autonomy of workers being the result of delegating some of the decision-making down the company hierarchy has brought some tangible results. It was a precondition of a business expansion, increasing number of assignments for the company, increasing employment and last, but not least increasing profits by 20%. Moreover, the change allowed for increasing competitive advantage of the company due to the shorter response time to clients' demands which allowed for getting ahead of the competitors and acquiring more assignments.

“As I mentioned before, it simplifies everything. A bit like in the army, you don't have to wait for the general to decide whether you can take out the rubbish in the kitchen or not. Of course, the more important the subject, the higher up the ladder someone makes that decision. Generally speaking, this allows us to react much more quickly to changes in the market, to adapt our offer, products or other processes related to production or distribution.” Former CEO of Delia Cosmetics

“There is a clear positive impact of the workers' participation in the company: the company is growing all the time, expanding. We have seen an increase in revenue of about 20% over the last 2 years.” Representative of the management

“Researcher: And how does this affect decision-making time?

Interviewee: As I said, it was the main criterion for me to "win" this decision-making on my own, I think it was a matter of life and death for certain projects and also unquestionably time was the most important factor." Customer service employee

"It is definitely faster than it could be if we had a 'chain' like in typical corporations." Logistics employee

"The benefits are that the workers feel that they have an impact on the company and that they feel like a part of the company, of being involved with it, because there really are people working here for several years and they continue to have the strength to pull certain topics and they are positive, motivated, it makes the company grow, it affects the involvement of these employees on the one hand, and the attachment of these employees to the company on the other." Representative of the management

Except the financial and organisational benefits of introducing more autonomy for the workers in decision-making process, there are also positive humanistic values of this transformation, empowering the workers at the workplace:

"Beyond the financial benefits, I think people feel better when their voice is heard, when they are not just a cog in the machine that can be removed or changed and without a change being felt. It's also good to see the effects of your work, the positive change someone else's opinion can make. I emphasise, it's not like one time we pushed a button and "now we have participation, participate". It's a natural evolution of our business, driven by the demands that the market imposes on us and the fact that there are a certain number of hours in the day and issues that one or a few people are able to deal with." Former CEO of Delia Cosmetics

"I think so, because I think it makes us very flexible, we're able to react a lot quicker and do a lot more things. When it comes to employees, obviously the fact that their work, their opinion matters, really matters, it really builds his attachment to the company and his sense of value. He's not just a cog that can be swapped with another cog, but he's someone who matters, and it's this appreciation of the employee, because that's what participation really is, appreciation and trust, that makes people want to be here. It's in human nature." Logistics employee

The interviewees stressed mostly positive results of the organisational change in participation of the workers in decision making process. However, some new challenges appeared related to higher responsibilities resting on the shoulders of the new decision-makers. Also, greater autonomy of the workers translates into more experimentation which might give varying results, including unsuccessful attempts.

"The benefits are speed of decision-making, 1000% faster. Flexibility, speed of action, is one of the most important tools with which we can win our customers and we can say that we are competitive in the market thanks to the



fact that we can take certain actions immediately. The difficulties? Well, the responsibility and the realisation that you used to be able to say that if something didn't work out, well, after all, the boss accepted it, the responsibility lies with the boss and no one could say that the decision was bad, because every decision made by the boss is good, even if it is... not quite producing the results we would like” Customer service employee

“In our case it varies, we reach our goal through many different paths, but I think that on the one hand this is a minus and on the other a plus, because it gives the possibility of reach, the ideas might come from sober individuals and be communicated to people in a higher position. So, I think this is some way, a path that gives more room for the workers. But the disadvantage can be that there is no clearly defined path, that you just have to improvise and take the initiative, which in turn causes us to implement solutions that are not yet proven. This has its advantages, but sometimes it just doesn't work out” Logistics employee.

Thanks to the changes made, the company is also able to react more quickly and effectively to unexpected changes such as the COVID-19 pandemic, as well as efficiently implement changes adapted to the new situation.

“I think back to the time of the pandemic, when we were able to immediately switch production to antibacterial gels, there was no problem at all to switch to remote working overnight, when it wasn't at all popular with us before, there are companies for which this was previously quite a traditional, normal form of work. Basically, it happened overnight at our company, if we are still talking about some possibilities of changes, improvements, at the moment it is happening on an ongoing basis, if I think in relation to my business, we have some new idea, a new type of packaging, then immediately today, as soon as the president came to the company, we discussed the possibilities of implementing a new machine, so it's happening right away basically. Everything is being analysed for the here and now.” Customer service employee

## CONCLUSIONS AND RECOMMENDATIONS

Summarising the most important conclusions from the case study carried out at Delia Cosmetics, it can be said that the changes introduced, giving greater autonomy to employees in decision-making, brought satisfactory results both from the perspective of the employer and managers and from that of the employees. By transferring some decisions to a lower level in the company's hierarchy, the company has been able to respond more quickly to market demands and, as a result, has increased turnover and improved its competitiveness. Internal work organisation, information flow and decision-making bottlenecks were improved. By delegating responsibility to lower levels of staff, the employees themselves have also gained a greater sense of empowerment and become more strongly attached to the company. Delia, however, lacks formalized participatory procedures. Participation mechanisms are still in the

experimental phase and are already gaining acceptance by the management and the employees. Therefore, it can be hoped that they will soon evolve into written procedures that will be consolidated, simple and transparent to all employees as well as adapted to the new challenges. During the time of the study, there are no social dialogue institutions/procedures, that would be involved in the decision making on employee issues. Therefore, it can be said that the direction of the evolution of the changes in Delia would be establishing an employee representation in a formalized form, that could collectively communicate employees' expectations and dialogue with the employer and in the future, should the need arise, conclude agreements between the employer and the employees.

This recommendation is made in the context of the employees' right to information and consultation under the Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community<sup>1</sup> and the Polish Act of 7 April 2006 on informing and consulting employees<sup>2</sup>. And also, from the Art 4 of the Directive on Adequate Minimum Wages in the EU<sup>3</sup> adopted in 2022, which implies the adoption of national Action plans to raise the coverage of the economy by collective agreements to 80% level. Collective agreements in Poland can only be concluded by trade unions and an employer or group of employers. "Employee participation is a good way of management, and it should be developed and rolled out lower in the structure. (...) I would be thinking of developing this further so that it goes down to the whole organisation. Because what I'm getting at, the workers should fully understand the goals of the organisation.

## TANGIBLE ASSETS ARE NEEDED NOW – CONCLUSIONS!



In the strive to boost employees' participation the teams from Spain, Poland, Italy, Greece, Serbia, Montenegro and Romania, in the framework of Open for Business – Streamlining Employee Participation in the Commerce sector for adapting to the new forms of work agree that determination and work should continue to make effective the participation of the employees in the decision making processes in the companies of the trade sector in Europe.

Firstly, **the narrative of employees' participation** needs to be legitimized and spread out in the political, policy making and social dialogue discourse as a right that improves the quality of life. In times of turmoil and when the idea of work is suffering unexpected changes, workers' rights of information and consultation (already included in the Directive 14/2002), need to be enhanced by their participation in their places of work and companies they work for.

Secondly, **the by taking in consideration the diversity of national contexts, the diversity of company characteristics** should be further studied with the objective to improve employees' participation in them. The research carried out in all the European countries participating in the project shows that there are clear differences in the level of employees' participation between big and small companies. These differences should be studied, understood and communicated. Solutions for smaller companies are needed to tackle the employees' participation issue.



Lastly, the **European model of welfare is such because employees have been able to thrive** their works and lives, therefore placing social dialogue at the center of the quality of life we enjoy in Europe can be an asset for a better work in employees' participation. All stakeholders of the so-called social dialogue should safeguard the European values and welfare state. In spite of our diversity, we understand that in Europe our advancement of employees' rights in the trade sector is key. To a certain degree the fully empowered employees in their work places would bring success to the trade sector environments themselves, and avoid empty shelves and stores.



## CONCLUSIONS!

| Continue!  | Legitimize!   | Consider!   | Save!   |
|--|---|---|---|
| Continue to increase the efforts for an effective involvement of employees in decision making processes! | Legitimise the narrative for workers participation! | Take into consideration the cultural and company's characteristics heterogeneity! | Save the European model of welfare through enhancing employees participation! |



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