



F.I.S. Flexicurity integrated services

Desk Analysis in Italy

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Summary

INTRODUCTION	3
1. NATIONAL FRAMEWORK	4
<i>1.1 The labour market for managers in Italy</i>	4
<i>1.2 The training system</i>	8
<i>1.3 Relevant norms and regulations for continuing training</i>	11
<i>1.4 Employment services and employment agencies</i>	12
<i>1.4 Towards flexicurity: the government's actions</i>	15
2. BEST PRACTICES	18
<i>2.1 Services for the employability of management and firm competitiveness promoted by Confindustria and Federmanager</i>	18
<i>2.2 Formatemp</i>	27
3. DISTINCTIVE AND INNOVATIVE ELEMENTS	30
<i>3.1 Innovative elements</i>	30
<i>3.2 Towards an integrated system</i>	31
<i>3.3 Organizational characteristics and subjects involved</i>	32
4. RESEARCH SOURCES	38
<i>4.1 Web sites</i>	38

Introduction

The present study is carried out within the framework of the Industrial relations and social dialogue **Project FIS** (Flexicurity integrated services) with support from the European Union.

The study, carried out concurrently in the Netherlands, Slovakia, Romania and Belgium, aims to provide an in-depth examination of the national overview concerning the supply and demand of training-related services for companies and workers provided by Social partners and by other public or private organizations.

In light of the numerous facets of the issue of flexicurity in the countries in question, the study aims to focus on training, and takes into account the entire chain of related services, from needs analysis, to the evaluation of training, to reallocation.

The study is organized in three main parts.

The first part describes the general framework of the Italian labour market, with particular reference to high-skill professionals, managers, and entrepreneurs.

It then outlines the main elements of the normative and financial framework related to training services and support for worker reallocation, highlighting the role of the social partners and the peculiarities of their action.

The second part analyzes two examples in the field of services for labour market policies,.

In the last chapter, the study identifies the main elements that characterize distinctive and innovative integrated services in the country.

1. National Framework

1.1 The labour market for managers in Italy

The difference between managers (“*quadri*”) and executives (“*dirigenti*”) in Italy is legislative and, especially, contractual in nature. While in most EU countries the term “executive” indicates a manager with very important responsibilities (often a chairman or CEO) and does not depend on the outcome of collective bargaining, in many cases in Italy a “*dirigente*” is not an executive, but rather a manager with a high degree of professional skills, autonomy, and decision-making authority. Many “*quadri*” can have the same skills and responsibilities without having been conferred the title of “*dirigente*”.

Within this framework, Italian managers (and, to a much lesser extent, executives) comprise about 10% of the total workforce.

Tab. 1 - Executives & managers in Italy (trend 2007-2009)

2009

	North	Nord-west	Nord-east	Centre	South	Italy	%
MALE AND FEMALE							
	9.051	5.210	3.841	3.598	4.627	17.277	
Executives	235	140	95	105	126	466	3
Managers	602	360	242	292	304	1.199	7
Other wage earners	8.214	4.710	3.504	3.201	4.197	15.613	90

2008

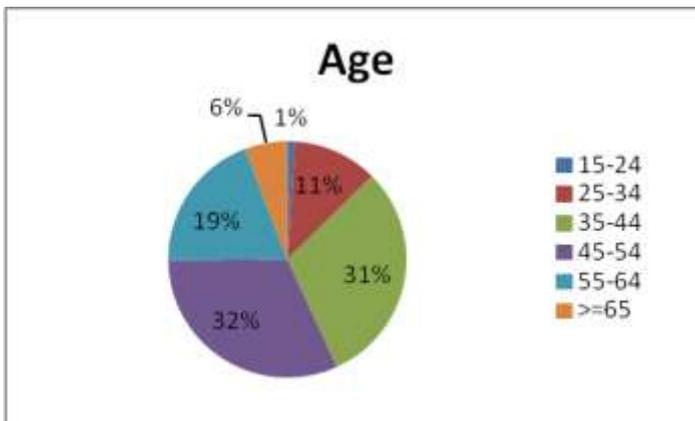
	North	Nord-west	Nord-east	Centre	South	Italy	%
MALE AND FEMALE							
	9.081	5.223	3.858	3.601	4.764	17.446	
Executives	265	151	113	112	124	500	3
Managers	617	379	239	290	321	1.228	7
Other wage earners	8.199	4.693	3.506	3.199	4.319	15.717	90

2007

	North	Nord-west	Nord-east	Centre	South	Italy	%
MALE AND FEMALE							
	8.888	5.141	3.747	3.506	4.773	17.167	
Executives	261	148	113	110	114	485	3
Managers	603	359	244	291	335	1.230	7
Other wage earners	8.024	4.634	3.390	3.104	4.324	15.453	90

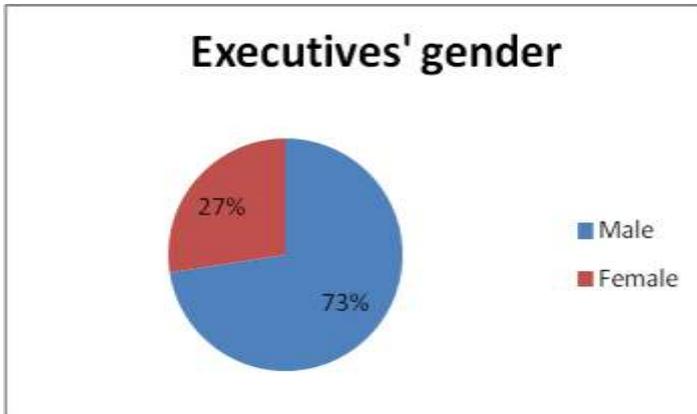
Source: ISTAT: Indagine forze lavoro 2007-2010

The average age of Italian management [executives and managers] is quite high: most (57%) are between 45 and 65 years old. Younger managers are more prevalent in the technical professions and in finance.



Source: ISTAT: Indagine forze lavoro 2010

Women make up on average 27% of executives and 29% of managers.



Source: ISTAT: Indagine forze lavoro 2010



Source: ISTAT: Indagine forze lavoro 2010

Regarding the areas of activity, most managers are employed in the public sector (education, public administration and health), followed by “trade and services” and manufacturing industries.

	agric.	Manufacture			Services										others	tot.
		Tot.	Manufact.	Real estate	tot.	trade	hotelling	transports	ICT	credit	services	PA	welth and education			
Executives	3	77	69	8	386	31	7	12	8	32	31	82	178	5	466	
Managers	2	178	163	16	1.018	59	6	30	30	124	92	195	468	13	1.199	

Source: ISTAT: Indagine forze lavoro 2010

Focus on the profile of the Italian manufacturer management

In Italy, there are about 80,000 executives and managers working in the manufacturing industry, of which 70.5% are in the North, 21.5% in the central regions and the remaining 8% in the South.

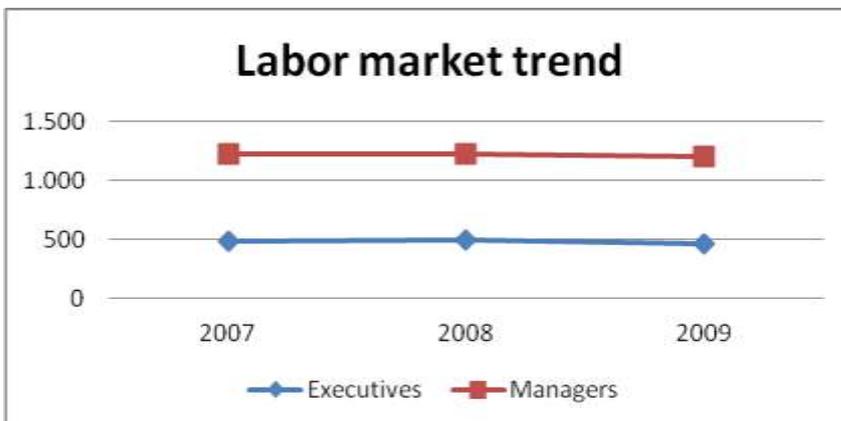
There is a major gender gap: 93% of managers and executives in this sector are men and only 7% are women. The average age is 50 (47 for women). With regards to seniority, male managers have had this position for an average of 9.7 years versus 6.7 years for women.

With regards to education, most managers and executives (95.6%) have a high level of education (degree or diploma): degree in technical and scientific disciplines (39.8%), high school diploma (37.6%), degree in technical-economic sciences (11.4%) and degree in social sciences (6.8%).

The main sectors in which managers and executives are employed are the following: steel, metal and machinery (24%), followed by chemical, petrochemical, plastic and rubber (18%); ICT and electric (15%).

Source: Fondirigenti, Management Forum Report 2007

Labour market trends for management are negative. Recent years have recorded a downward trend with stagnation. Over the past three years, about 50,000 jobs have been lost.



Source: ISTAT: Indagine forze lavoro 2007-2010

The financial and economic crisis has hit all types of workers. However, a target group that is unable to take advantage of public labour market policies is that of managers. The structure of public employment services cannot guarantee the speed, complexity and efficiency needed to cater to this particular segment of the labour market. As a

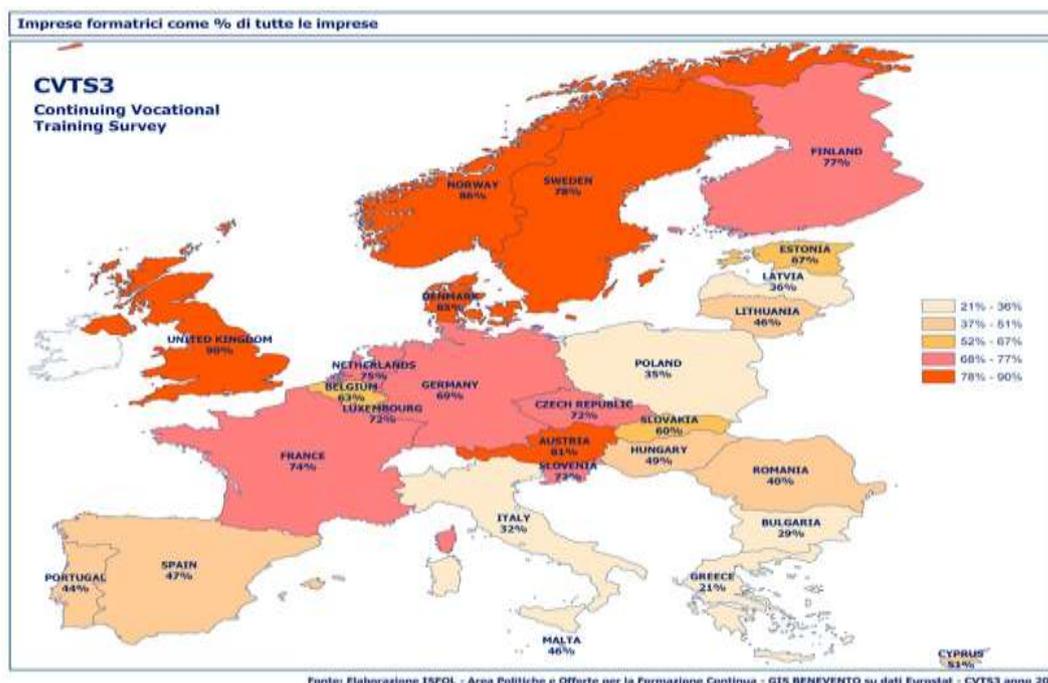
result it is up to private organizations, in this case the social partners, to take care of the matter.

Data for 2009 are alarming. According to Federmanager, the union of Italian executives of companies producing goods and services, 10,000 managers were expelled from the labour market last year. This number is small compared to other sectors of the labour market (total of 80,000 in early 2010), but in percentage terms this change is very significant and is likely to become even more pronounced in the months to come.

The unemployment rate is about 10% and hits hardest those who are aged 50, putting at risk a significant knowledge base in a country already marked by widespread shortages of skilled managers. The trend is more severe in the manufacturing industry than in services, and it continues unabated, creating even more obstacles in the recruitment of young people, due to the increasingly limited positions available. According to a recent study [OD & M Consulting and DBM Italy, October 2010] 1/3 of managers considered their job to be “at risk”, while 80% thought it difficult to find a new job in the next six months using their personal experience or network of contacts.

1.2 The training system

In Italy, 32% of firms invest in training, compared to a European average of 60% (Survey CVTS3 Eurostat). Trained workers are on average 25% of the total (17% in SMEs and 47% in big firms), versus 33% in Europe. However, this data – based exclusively on formal training – do not take into account “implicit” and “informal” training, which comprises the many modalities of informal training in the workplace, such as “on-the-job training”.



Nevertheless, this data shows that Italy is lagging behind almost all of its European partners. Specifically, the Italian situation sees: a greater propensity to invest in training by large firms than by small and medium-sized firms; participation rates are higher on average than in the tertiary sector; greater use of training in the North than in Central, South and islands; a strong gender gap in education; an "unstructured" approach to training: "training enterprises" in 80% of cases had not developed a formalized training plan, and only 8% of cases have a specific budget.

The reasons of this situation are the following: the dimensional issue of the Italian firms (SMEs vs. GI); shortcomings of the education system (called "low-cut system"); lack of quality in the supply side of the educational market (topics are often distant from the actual needs of enterprises and workers; methods are "traditional"; costs are high, especially for SMEs). Thus, Italy is characterized by a complex public support system to vocational training, which discourages manager and enterprises from investing in education.

Recent field surveys on SMEs carried out by Fondirigenti¹ and others uncovered further evidence of the structural weakness of the training system in meeting the need for training managers in small and medium enterprises.

¹ FONDIRIGENTI, *La formazione continua come risorsa per la crescita delle imprese*, Rome, 2010

There seems to be a sort of cultural resistance on the part of the main stake-holders (firms, trade associations, training companies) to venture outside the comfort zone of training projects financed at the European level, for which the supply of available resources prevailed over the identification of the actual demand for training (as opposed to its ritual description through a needs analysis, which was formally required at the beginning of each training project financed at the European level).

The consequence of this is that the issue of continuing training is not strictly associated with the growth of firm productivity and competitiveness, as the latter two are tied to the strategies and processes implemented to face the ongoing economic crisis. In other words, training tends to be seen as a side activity, which is subject to budget cuts during times of economic hardship, and more importantly, is seen as a low priority by entrepreneurs.

The above stresses the lack of perception, on the part of entrepreneurs, of the importance (and relevance to their needs) that continuing training should have. The outcome is that it is difficult to: 1) link the implicit training that goes on inside the firm with the explicit training that could build upon it, in order to supplement submerged know-how and help it evolve; and 2) to attract the necessary economic resources to implement training activities.

From the point of view of didactic methods, it is easy to sense that firms – especially small ones – still perceive training as an essentially course-based activity, which implies that the managers in question will have to take time off from their regular duties at a time when the firm, under strain due to the economic crisis, needs them more than ever. Thus, the traditional mechanism prevails once again, so that training for entrepreneurs is either that supplied by public institutions, or it takes place according to the modalities of traditional funded training, through structured courses adopting the face-to-face approach typical of classroom learning.

Much of the cultural resistance on the part of SMEs to demand for training arises out of the excessive rigidity and complexity of training procedures, which must be simplified and streamlined as much as possible to meet these firms' reduced capacity for managing the entire process of funded training initiatives.

1.3 Relevant norms and regulations for continuing training²

The right to «training and vocational improvement of workers» is expressly established by the Italian Constitution (1948); in defining the distribution of responsibilities between the State and the Regions, it assigns exclusive jurisdiction in the vocational training field to the latter. Reform law 53/2003 introduced 'lifelong learning' among the principles and guiding criteria of the education and training system. For its implementation, the reform law provided a programmatic plan to fund 'interventions for the development of higher level technical education and training and adult education'.

The local training bodies have consultancy and promotion functions. Following the guidelines established at the national level, the Regional Authorities' tasks include the identification of medium- and long-term objectives through the analysis of training needs, active administrative management, monitoring and evaluation of the training activities' efficiency and effectiveness. Thus, the Regional Authorities are exclusively responsible for both initial and continuing vocational training, and, on occasions, this power is exercised by delegating or transferring a number of functions to the Provincial Authorities.

A first step towards recognition of training as a strategic resource for all people, in particular for young people, workers, and enterprises, was the approval of Law 236/93, which allowed launching the structuring of a national continuing training system. With the Labour Agreement signed by the Government and the social partners in September 1996, a real strategy of innovation of the system was envisaged. With specific reference to initial vocational education and training, the most noteworthy of the Agreement's objectives include:

- the overall increase of the schooling level (quantitative and qualitative) by raising the compulsory schooling age and introducing the right to training;
- the consolidation of an integrated system for the certification and recognition of training credits;
- the definition of a system of permanent recognition of the quantity/quality of the training supply.

² This summary is drawn from the website

http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2009_CR_IT.pdf

In keeping with the indications of the above Agreement, Law 196/97 has introduced:

- the identification of requirements for the "accreditation" of training providers to be entrusted with managing the activity; the re-launching of apprenticeship training;
- the introduction of "guidance" and "training" practical work or experience;
- the definition of criteria for skill certification and the creation of a system for credit recognition.

The next step was the introduction of Law 53/00 (recognizing the right to training leave for workers) and Law 388/00 (amended by Law 289/02) which established the *Fondi interprofessionali* (joint interprofessional funds) supporting continuing training. Financed by a contribution of 0.30% of the wage bill paid by employers, these funds support company, sectoral and regional training plans, supplementing the regional authorities' work in the continuing training system. These funds are managed by the social partners and supervised by the Ministry of Labour and Social Policy.

1.4 Employment services and employment agencies

Training is only one of several policies to favour employment. The remaining package of regulations regarding employment is included in legislation reforming employment services, whose evolution is summarised below.

a) Evolution of the normative and institutional framework

Starting in the 1990s, employment services in Italy underwent numerous reforms, which profoundly renewed their structuring, modalities, and stakeholders. These reforms, which were launched by Legislative Decree n. 469/1997, transformed employment services on the basis of four fundamental guidelines.

First of all, the reforms overhauled the relationship between central and local authorities in managing public policies. The introduction of the subsidiarity principle in Italy's legal system induces legislators to re-distribute management responsibilities for public procedures to match supply and demand for employment, which responsibilities have been transferred from the central State to the Regions and Provinces. Through the Centres for Employment, Regions and Provinces have become the outposts of the new public system.

Secondly, the modalities and criteria through which public policies are implemented were profoundly revised. The employment list system – which is based on the mere registration of job-seekers - is gradually abandoned, while innovative responsibilities are conferred upon the Centres for Employment, which have been overhauled and transformed into structures for providing services, and whose functions include supporting job-seekers actively searching for re-employment.

This facet of the reform continued with Legislative Decree n. 181 of 20 April 2000,; Decree of the President of the Republic n. 442 of 7 July 2000, and Legislative Decree n. 297 of 19 December 2002, which amended some of its aspects; these decrees completed the reform of public employment services, and marked the conclusive end of ordinary employment lists, and their replacement with the personal data registry system.

Thirdly, the awareness emerges – at least at the normative level – of the need to integrate employment, training, and social policies in order to increase the employment rate for the categories of workers that are finding it hardest to enter or re-enter the labour market.

In particular, this new approach aims to make the various systems that indirectly or directly influence employment policies – education, training, labour, social policies – less isolated and self-referential.

The concept of integration also applies to organizational approaches, particularly with regards to support functions for the definition of the most suitable organizational models for providing efficient services; this helps establish a hitherto neglected link between the planning, design, provision, and evaluation of employment services.

Finally, the subsidiarity principle is also interpreted ‘horizontally’, by allowing private subjects to provide services to match the supply and demand for employment. In this new framework, private subjects are no longer seen as potential exploiters of the workforce, but rather as a possible engine for system innovation and stimulus.

These innovations were subsequently completed by Legislative Decrees n. 181/2000 and n. 297/2002, which completed the modernisation of the procedures followed by Employment Centres, and by Legislative Decree n. 276/2003, which increased the role of private operators.

b) Strengths and weaknesses of the normative and institutional framework

There have been numerous reforms in the Italian welfare system since the nineties. They have revamped the setting, the mode of action and stakeholders involved, and at the same time transformed employment services on the basis of five core guidelines: decentralisation, a service-oriented approach, integration of labour policies, training and social policies, and horizontal subsidiarity. Despite this, there is still no real welfare-to-work system that can intervene in the labour market to the extent that is achieved in many other European countries.

The definition of employment brokerage is broad enough to allow for the implementation of wide-ranging employment policies. Under the previous norms, private agencies were limited to helping match supply and demand for employment.

The only normative aspect that appears to remain unresolved is the link between brokerage activities – in the broad sense – and the welfare support system. Should the link between them be strengthened, and should the role that private subjects can play in managing passive policy measures be increased, the capacity of the institutional framework to favour the growth and diffusion of a welfare to work system would undoubtedly be enhanced.

There is an additional problem which does not directly concern the normative framework, but which can certainly be solved by intervening on this framework. Research has shown that interest in employment brokerage is low among private operators, who find it economically less convenient than providing employment services. The only subjects to have shown interest in the new norms on agencies – albeit only in terms of intentions, rather than concrete initiatives – are non-profit operators and those that represent the social partners.

However, several years after the approval of the Biagi reform, this interest has not yet been met by the private sector, with a few exceptions. This low level of interest can be explained, once again, by the problem of costs: even when there are motivations that go beyond mere profit, one must take into account the need to create subjects that can achieve financial stability in the medium term.

In order to overcome this problem, it would be both useful and opportune to take another step forward in terms of national and regional regulations, which should better valorise the contribution of brokerage agencies by involving them in implementing

specific employment policy measures, and guaranteeing adequate compensation for such activities.

This model has already been tested in other countries (for example, in Germany the Hartz reforms are experimenting with a system to reward private agencies for the results achieved in implementing specific training and work integration activities). In Italy, a very basic concept of public-private integration is beginning to emerge, but it is still in the embryonic stages, and in any case is often accompanied by an insufficient allocation of funds.

Private brokerage agencies can only escape the cost trap – which imposes a private-sector management style while making their work less efficient, since it prevents them from carrying out the activities they are best suited for - by becoming actively involved in employment policies, and by being adequately remunerated for their work.

In other words, it is only if those activities that today are as useful as they are unprofitable become profitable that brokerage agencies will finally be able to effectively support employment policies. Otherwise, they will struggle to expand beyond the market niche to which they are currently confined. As we have stated above, the way to make these activities profitable is to transform the agencies into subjects that cooperate with the public administration in managing certain segments of employment services.

1.4 Towards flexicurity: the government's actions

In light of the ongoing changes in the economic and social system, driven by the financial crisis that has severely affected the welfare system, and of the European recommendations on flexicurity, in 2008 the government issued a green paper on the future of welfare, and a white paper on the same topic in 2009. These documents clearly highlight the need for a new role for the social partners in employment policies, and for training and valorising skills to assume greater importance in said policies.

a) Welfare-to-Work systemic actions for re-employment policies³

³ See

http://www.lavoro.gov.it/Lavoro/md/AreaLavoro/AmmortizzatoriSociali/Incentivazione_Reinserimento/Welfare+to+Work.htm

The current employment crisis in Italy has led the Ministry of Labour and Social Policy – and in particular the General Directorate for the Welfare Support System and Employment Incentives – to implement a complex and structured national policy that can integrate and valorise all economic recovery measures and create synergies between all the stakeholders who, in the execution of their duties, intervene in the employment sector at both the local and national level. This new, three-year (2009-2011) national intervention plan – called Welfare-to-Work systemic actions for re-employment policies – aims to implement standardized welfare-to-work policies and services targeting workers who have been expelled or risk expulsion from the labour market. This intervention, implemented by the Ministry of Labour with the technical assistance of Italia Lavoro S.p.A and in synergy with the relevant Regions and Autonomous Provinces, builds upon and expands the experience acquired during the PARI and PARI 2007 programmes.

Planned interventions at the local level aim to:

- Establish and consolidate permanent technical assistance structures to support the Ministry, Regions, Provinces, and employment services;
- Developing and consolidating national and regional governance for stakeholder coordination and the supplementing of economic resources;
- Making information flows and IT systems available to plan, manage, and provide services, thus reducing the duration of unemployment;
- Guaranteeing the availability of an effective and decentralized network of public and private employment services throughout the national territory.

The Action's interventions are funded thanks to synergy between various funding sources: 2007/2013 National Operating Programme - European Structural Funds (POR FSE); resources from the National Fund for Employment and the Revolving Fund; regional resources drawn from POR FSE, supplemented by other potentially available funds at the European, national, and local levels.

The Action defines service standards and methodologies for the work integration of target subjects, intervening in the following fields:

- Strengthening the governance of active and passive employment policies;
- Planning and managing re-employment actions, with the goal of extending active policy actions to a larger number of workers;

- Supporting the strengthening and quality of re-employment services;
- Supporting the management of private sector crises, and monitoring the welfare support services that have been extended.

The Action targets:

- Over 230,000 workers who receive the extended welfare support services;
- Over 25,000 workers who are not receiving any unemployment benefits or subsidies (young workers, women, workers over 50, and every category of disadvantaged workers).

b) Re-employment Action targeting unemployed, over-50 former managers

Within the framework of the Systemic Action, the Ministry of Labour and Social Policies promoted and funded the implementation of actions to support the re-employment of unemployed, over-50 former managers, through the publically-announced allocation of funds provided as bonuses to firms that hire such workers.

The extent of the bonuses will depend on the type of contract under which new workers will be hired: 10,000.00 Euros for each former manager hired on a permanent contract or on a fixed-term contract for a duration of at least 24 months; 5,000.00 Euros for each former manager hired on a fixed-term contract for a duration of at least 12 months; 5,000.00 Euros for each former manager hired on a project contract for a duration of at least 12 months.

c) Local interventions

Within the framework of the executive planning for the Welfare-to-Work systemic actions for re-employment policies, the Ministry of Labour and Social Policies, with the technical assistance of Italia Lavoro S.p.A., provided the Regions with a tool to support the management of the economic crisis, with a structural welfare-to-work intervention providing integrated measures that can affect the Italian labour market. The intervention also aims to protect jobs, especially with regards to workers most affected by the economic crisis.

Following up on the promotion of the new plan of intervention, which took place in all relevant Regions and Autonomous Provinces, executive regional programmes have been drafted. These programmes indentified – within the framework of the Governance Roundtables established thanks to the PARI Programme and with the participation of all

shareholders (regional and provincial administrations and social partners) – the specific characteristics of each regional intervention.

2. Best practices

2.1 Services for the employability of managers and firm competitiveness promoted by Confindustria and Federmanager

In Italy, the use of consultative policies peaked in the 1990s. The July 1993 Protocol on income and employment policies, contract structure, labour policies, and support for the production system marked the birth of a true consultative strategy, which originated as a measure to counter a serious economic crisis, and became the method of choice to regulate the relations between Italy's many social and economic stakeholders, helping to make the negotiations between the government, labour unions, and employers' organizations stable and continuous. Within this framework, the idea emerged to allocate an increasing share of the 0.30% financial contribution made by firms to INPS (*Istituto nazionale per la Previdenza Sociale* – National Institute of Social Insurance) to the fight against involuntary unemployment and in favour of continuing training initiatives managed directly by firms, thus establishing the condition for the future activation and disbursement of the *Fondi paritetici interprofessionali* (Joint interprofessional funds).

Another major step forward in the social dialogue process was taken thanks to the Labour Pact – established to implement the active employment policies drafted in 1993 and underwritten between the government and the social partners on September 24, 1996 – and the subsequent Social Pact signed on December 22, 1998. Both agreements strengthened the role of consultative processes, and produced significant results with regards to continuing training and the role played by the social partners (including the allocation of the 0.30% financial contribution). The rise of bilateral approaches and the new organizational paradigm of continuing training – increasingly characterized by decentralization and bottom-up participation and far less top-down and centralized than in the past, with the social partners and their local networks taking on increasing responsibilities – led to the idea of launching a body that could both meet the firms'

needs for training managers and lobby institutions with the aim of transferring responsibilities for managing continuing training to the social partners.

This is the historical context in which the **Fondazione Fondirigenti Giuseppe Taliercio** was established. It is a bilateral body instituted by the Confindustria (*Confederazione Generale dell'Industria Italiana*) employers' federation and Federmanager (National Federation of Industrial Executives) to promote managerial culture and carry out research on management.

The establishment and evolution of Fondirigenti is thus the outcome of a long-term process rooted in the evolution of culture, legislation, and industrial relations in Italy in the last fifteen years. Its history has been marked by three milestones:

- The formal establishment of the Fondazione “Giuseppe Taliercio” in 1997 and its operational establishment in 1998, thanks to an initiative spearheaded by Confindustria and Fndai (now Federmanager), with the goal of promoting managerial culture and training in Italy. Since its inception, the Fondazione has been characterized by its adoption of an integrated approach, with a series of studies and analyses on the needs of managers and firms and on the quality of the available training supply, while launching concrete managerial training initiatives.
- The transformation of the Fondazione “G. Taliercio” into an interprofessional fund under a new name (Fondirigenti G. Taliercio), following the agreement between Confindustria and Federmanager of May 23, 2002. The legal basis for the birth of Fondirigenti is Law 388 of 23 December 2000 (“Budget Law 2001”), article 118, which established the national interprofessional joint funds for continuing training. The agreement sets the conditions for the establishment of a specific fund for the continuous training of managers, which was the natural next step for the Fondazione Giuseppe Taliercio.
- The assumption, in 2006, of a role as an integrated services agency for managers and firms, with responsibilities for performing research and professional analyses related to employment trends, training, professional reorientation, and matching labour supply and demand.

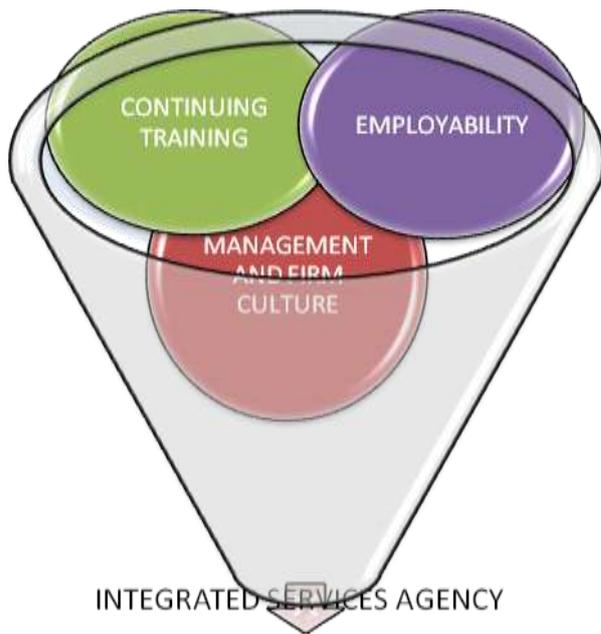
The bilateral and partnership-based character of its founding subjects guarantees the pursuit of shared, high-profile objectives – including in ethical terms – while investing in the establishment of an integrated system of services that can offer added value in the fields of training, matching supply and demand, income support, forecasting analyses, and all other active policy actions.

On the Italian scene, Fondirigenti thus represents an *integrated services agency workshop* for welfare-to-work.

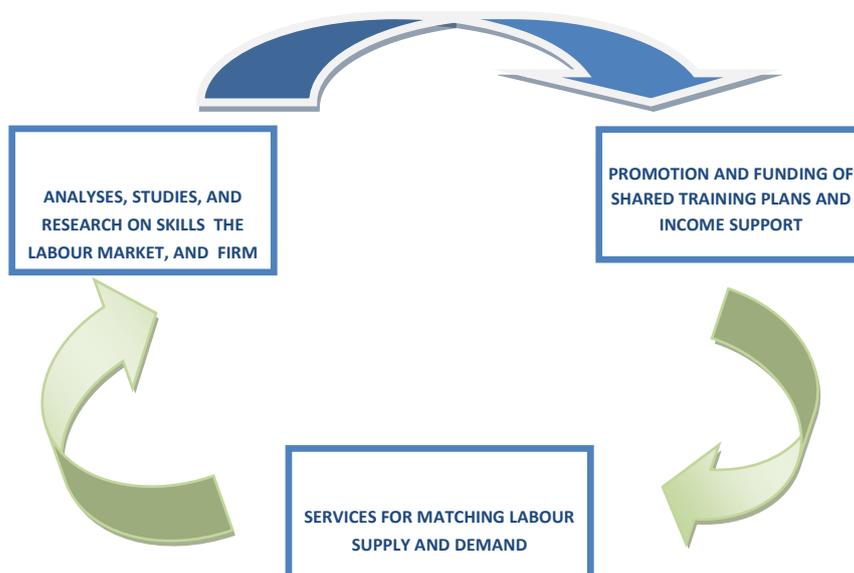
Fondirigenti's organizational model stands out for its adoption of an approach that places training at the centre of an integrated system of active policies implemented thanks to the involvement of both social partners.

The need to integrate the subjects in charge of active policies and passive policies is now well-established at the theoretical level: this multiplies the efficiency of each single intervention and creates a network of services that can favour the development of individuals and of the labour market as a whole.

The services provided by Fondirigenti encompass three highly integrated macro-areas of activity: **Firm and management culture**, with services and products including analyses, experimentation, studies, and research focused on skills and the labour market; **Continuing training**, with services and funding tools for training plans drafted in conjunction with the social partners; **Employability**, through experimental projects targeting unemployed managers, services to match the supply and demand for managerial positions, and skills analysis services for employed and unemployed managers.



Fondirigenti’s current model is that of an integrated services agency following a multi-faceted approach: from forecasting to indentifying training needs and providing training and income support. Integration is thus ensured by the capacity to work along the entire chain of services related to training, as set out in the figure below.



The goals of stimulating a highly evolved demand for training services, which must be matched by an increase in the quality of such services, and of promoting among managers the awareness of their own needs is pursued through study and research activities that have characterized the Fondazione's work even after its transformation into an interprofessional fund. In particular, we refer to:

- Studies on management and managerial skills, both at the national level and at the local and sectorial levels. The use of quantitative and qualitative methodologies to identify needs makes it possible to sketch the outline of an analysis model based on the direct involvement of managers, through a self-analysis of their training needs and of the obstacles hindering a wider and more satisfactory recourse to training;
- An in-depth focus on small and medium enterprises, which form the backbone of Italian industry, and of the specific training needs of their managers;
- Research on the assessment, accreditation, and certification of the quality of training and education services.

These strategic activities are planned each year by the Fondazione's executive body, the Promoting Committee. They are secondary – even in financial terms – to the core activity of training plans funded by the training budgets of each member firm of Fondirigenti.

This effort to build upon previous progress and continue to pursue the functional integration of activities led to the establishment, in 2008, of the “**Management Club**” **Association**, a research centre spearheaded by Fondirigenti and Luiss University along with their promoters Confindustria and Federmanager. It aims to become a leading centre for analyzing, comparing, studying and promoting the training and development of Italy's managerial class.

The establishment of the Association aimed to:

- launch a series of research, study, and communication tools that promote firms and management as the engines of development;

- launch a local network of research facilities, which, as “hubs of excellence”, can work towards the further improvement of the quality of available training services, and ensure the increased participation of SMEs in continuing training initiatives.

Fondirigenti’s core activity is the promotion and funding of training initiatives for managers from member firms. In order to train their managers, each member firm can access the funds comprising 0.30% of financial contributions to INPS, thanks to a training fund assigned to each member firm. The innovative element of this approach is the joint work between the social partners and the member firms, which plan and submit to Fondirigenti activities that can meet training needs at the local and sectorial levels, but also at the level of the individual firm and manager (training vouchers). The demand for training is thus at the core of the process, because it identifies the offer that best fits one’s needs, establishes the methodology and timeline for carrying out training activities, and plans and organizes one’s own continuing training. The process is supported by streamlined procedures and IT tools that simplify resource use.

The Fund also finances training plans through Public Notices (only when there are year-end budget surpluses in the use of the core instrument, the training fund) which are based on the most current and relevant training and firm management issues. The extent and goals of the Public Notices are decided annually by the Fund’s statutory bodies through public procedures.

Membership provides access to the assistance and support services provided by the Fund, participation in the research activities promoted by the Fund, and access to the services provided by the Employment Agency.

The data below shows a constant increase in both new members and the use of resources.



Participating firms and management per year: 2004-2010

Status	Number of plans	Firms	Managers	Hours	Amounts
Approved	2,132	3,091	29,357	655,490	32,552,430
Reported	1,338	2,105	18,147	287,999	20,527,091

Plans (Training Fund) approved as of January 31, 2011

Notices	Number of plans	Firms	Managers	Hours	Amounts
01/2006	39	628	1,274	46,515	3,329,321
01/2008	67	1,427	4,776	145,749	10,953,565
01/2009	41	1,056	3,098	109,999	8,161,257

Plans with Notices as of January 31, 2011

Notices	Number of plans	Firms	Managers	Hours	Amounts
02/2008	170	170	170	7,192	543,986
02/2009	190	190	190	8,389	627,100

Plans with individual notices as of January 31, 2011

The profound changes that affected the economy and the labour sector over the last few years broke the consolidated bonds between individual and employer, introducing the issue of flexibility as a crucial mediator in this relationship. In the context of the current economic crisis, as well as in the recent past, this break has affected all managerial levels, but especially managers and executives over the age of 40. These individuals are at a high risk of social and labour market exclusion, and despite their extensive skills and a potentially long active life ahead of them, have trouble re-entering the job market in a stable, long-term manner. In light of this, in 2009 five projects were launched to increase the professional skills of managers and enhance their employability, while providing firms with the cultural tools to face current challenges. This opportunity was taken by the representatives of members from five geographic areas (Assolombarda and ALDAI - Confindustria Emilia Romagna and Federmanager Emilia Romagna – Unione Industriale Roma and SRDAI – Confindustria Veneto and UVDAI – Confindustria Torino and APDAI) who signed bilateral agreements, drafted the projects' outlines, requested funds from Fondirigenti and coordinated their respective projects.

The third area of employability services regards the Employment Agency for unemployed managers and employees of firms under receivership, according to the criteria established by the social partners in the 2004-2008 National Collective Bargaining Agreements for Managers of Firms Producing Goods and Services. The Agency works at the local level through local organizational units currently active in five regions and based at the Unimpiego-Confindustria offices in Turin, Bergamo, Padua, Bologna, and Rome and in the Federmanager offices in Turin, Milan, Padua,

Bologna and Rome. Each one is a data acquisition and service provision centre, and is an integral part of the national network, to which it is connected through its desks. These non-profit centres give firms and managers the opportunity to directly access the database, receive assistance and information with regards to registering their own data, and access services to match job demand and supply.

In close cooperation with the Employment Agency, Fondirigenti provides assistance and orientation services regarding professional and business strategic decisions.

The negotiations for the renewal of the Collective Bargaining Agreement for industrial executives in 2009 saw the emergence of new activities to be developed by Fondirigenti e and FASI-GSR, the health care fund for industrial executives.

The on-line skills assessment form allows each manager to self-evaluate their own professional skills profile. The goal of this service is to draft a personalized development plan that can identify the training needs that can be met through a plan funded by Fondirigenti, thus integrating active policies with its main function.

This tool has two facets:

- For employed managers, the skills assessment can serve as a prelude to future training courses based on the contents and sectors identified by the assessment;
- For unemployed managers, the skills assessment can set the stage for placement activities, accessible through vouchers, that the unemployed manager is entitled to request by forfeiting a share of the unemployment benefits received from FASI GSR.

The work carried out so far by the Agency must be considered a work-in-progress, with significant room for improvement. The services provided are limited to matching data and information, since they lack - due to financial and operational constraints and a bilateral model that has not yet been fully defined – the necessary assistance, orientation, and training activities that can “actively” support managers and firms in analyzing individual re-employment paths, identifying the necessary skill sets required by the market, and searching for and promoting new job opportunities, including entrepreneurial ones.

This system reflects the broader situation in Italy, which still lacks a welfare-to-work system that can intervene in the job market with qualitative and quantitative criteria that are comparable to those in other European countries.

2.2 *Formatemp*

Without a doubt, one of the most significant trends to have characterized innovation in the Italian labour market subsequent to the introduction of specific norms (Treu Laws 1997 and Biagi Law 2003) concerns temporary workers (see table), which include a considerable number of managers and professionals⁴.

	1997	Growth 1997–2002	2002	Growth 2002–2007	2007	Growth 1997–2007
Europe						
Austria	18	72%	31	90%	59	227%
Belgium	51	29%	66	44%	95	86%
France	359	59%	570	12%	638	77%
Germany	180	48%	267	130%	614	241%
Hungary	ns	–	30	83%	55	–
Italy	nlr	–	82	168%	220	–
Netherlands	163	4%	169	38%	233	43%
Poland	ns	–	ns	–	60	–
Spain	90	37%	123	30%	160	78%
Sweden	14	164%	37	59%	59	321%
Switzerland	24	54%	37	89%	70	192%
UK	775	34%	1036	33%	1378	78%
Rest of world						
Argentina	ns	–	nd	–	96	–
Brazil	nd	–	nd	–	859	–
Japan	340	104%	693	91%	1330	291%
Mexico	nd	–	nd	–	105	–
South Africa	ns	–	ns	–	300	–
South Korea	ns	–	ns	–	75	–
USA	2440	–11%	2160	37%	2960	21%
World Total	4513	20%	5407	76%	9525	111%

Source: Adapted from CIETT, 2009, p. 21; European countries with over 50,000 agency workers in 2007 included here; ns: not significant; nlr: not legally recognized; nd: no data.

⁴ With particular reference to temporary management, we would like to point to the results of a 2007 survey carried out by Gidp/HRDA (*Gruppo Intersettoriale Direttori del Personale*, network of 1,950 human resources directors from medium and large Italian enterprises), which focused on temporary management in Italy in order to assess the extent to which Italian firms were aware of it and used it. Today, in Italy, temporary management is a well-known and much appreciated service. 85.96% of the sample (114 personnel directors, mostly from firms located in northern Italy) are aware of temporary management services. The most widespread perception that personnel directors have of this service is that it is provided to firms by a specialized agency, which assigns a manager for a set period of time to the firms that request one. 42.11% of personnel directors are aware of companies that are specialized temporary management, but only 14.04% have used this service at least once. See <http://www.gidp.it/>

In conformity with the pillars of flexicurity, the social partners fully grasped the need to adapt unemployment benefit policies to managers through training and needs analysis. To this end, they instituted FORMATEMP.

Forma.Temp - *Fondo per la formazione dei lavoratori in somministrazione con contratto a tempo determinato* [Fund for the training of workers under fixed-term contracts recruited through staffing agreements] – is a bilateral body instituted as a non-profit voluntary agreement between the employment agencies association (ASSOLAVORO), labour unions for workers under employment agency contracts (FeISA-CISL, NIDIL-CGIL, CPO-UIL) and the three main labour unions (CGIL, CISL e UIL). The Fund was authorized to perform its activities by a Decree from the Ministry of Labour, which oversees the Fund itself.

The creation of Forma.Temp as a tool for the bilateral management of professional training has made available the financial resources destined to further improve the quality of staffing agreements within the broader labour policy system .

Forma.Temp was established after the Law n. 196/1997 (so-called “Treu Law”) introduced staffing agreements in the Italian legal system. These agreements are currently defined as fixed-term staffing agreements according to Law n. 30/2003 (so-called “Biagi Law”).

Law 196/1997 introduced a bilateral training fund managed jointly by labour unions and employment agency associations.

Forma.Temp is funded by a financial contribution amounting to 4% of the gross wages of workers hired under fixed-term staffing agreements, and its goals include:

- Promoting training and re-training processes, including in light of the continuity of job opportunities;
- The adoption of specific social security measures for workers hired under staffing agreements.

Since its institution, Forma.Temp has strongly pursued the funding of free training courses for students:

Year	Courses	Students
2001	8,440	76,584

2002	20,557	122,577
2003	39,298	188,264
2004	38,330	207,622
2005	30,389	186,701
2006	31,180	204,153
2007	36,187	225,139

Due to the specific nature of staffing agreements, which have proven to be a useful tool for helping many unemployed workers enter the labour market for the first time, training efforts also provide students with the basic facts about the peculiarities of contracts obtained through these agreements. Particular attention has also been paid to the issue of health and safety in the workplace.

Given that the goal of Employment Agencies is to efficiently meet the temporary need for workers on the part of firms, the social partners have steered financial resources prevalently towards training prospective workers on the basis of the firms' actual needs, so that the Employment Agencies can respond quickly and effectively to requests for skilled workers by providing training courses for specialized positions.

The guiding principle of the system launched by Forma.Temp is the certification of training interventions as a way to ensure that participating workers can have tangible proof of the training they've acquired. A certificate of attendance is issued to all students at the end of each course.

All of the training courses funded by Forma.Temp are free. Authorized or accredited subjects are forbidden to ask for or receive, either directly or indirectly, any form of compensation from the workers attending the courses.

In order to be eligible for the training courses, prospective students must go to an Employment Agency to learn about the offer of such courses, and provided they are enrolled in the agency, they can submit their candidacy to the free courses by submitting their CV.

The training courses provided by Forma.Temp include structured, module-based courses aiming to favour the development and consolidation of the professional skills of temporary workers. The promoters of the training courses funded by Forma.Temp are the Employment Agencies, while the courses themselves are operated by the main Italian training bodies. The courses funded by Forma.Temp, which include remote training, target various users at different levels of specialization. Participation in a course financed by the Fund is always certified, on the basis of the didactic programme and in close correlation with the needs for professional skills identified by prospective employers at the local level. All training courses funded by Forma.Temp are free of charge.

3. Distinctive and innovative elements

3.1 Innovative elements

Over the course of our research, we have ascertained that, in spite of an adequately thorough normative framework, Italy still lacks a welfare-to-work system that can intervene on the labour market qualitative and quantitative standards comparable to those of other European countries.

Our research also suggests that there is still an ample margin for integrating a new type of agency that can provide various types of services to individuals and firms with the activities of the various private and public subjects already active in the employment and development fields.

In particular, our research shows that an employment agency can be an effective tool for pursuing labour policy goals; the pursuit of such goals can balance out the small profit margins this activity ensures.

The subjects most interested in using such a tool are the social partners, since they are institutionally compelled to directly (through traditional activities) and indirectly (through the establishment of a functional labour market) protect their associates.

Recent experience shows that employment agencies provide very segmented services, which almost exclusively consist of matching workforce supply and demand.

Such services are often provided in a vacuum with respect to other services that may be relevant in the labour market context.

In particular, a very obvious shortcoming regards the lack of integration between welfare support policies and services that match labour supply and demand. Welfare support

The agency's innovative elements

- *Internal integration of the various services*
- *External integration with other operators*
- *Strong emphasis on the local dimension*
- *Bi-laterality and active participation of the social partners*

policies are not used in an integrated manner with regards to active policies and, most importantly, they are not targeted at achieving the definitive re-employment of unemployed workers. This shortcoming is particularly evident in the public sector, including from a structural point of view.

There is thus a need to put together a series of integrated services that include forecasting, the identification of training needs, the provision of training, and income support.

Employment agencies can thus become engines for development, since they no longer merely respond to the requests from the existing markets, but they can also anticipate the needs of the market itself, and potentially even steer its future development.

3.2 Towards an integrated system

A distinctive characteristic of the agency is the provision of an integrated series of services, as opposed to single and isolated services, as is often the case. This distinctive characteristic is made possible by the two driving guidelines that structure the services of an integrated agency: the personalization and integration of services. Personalization indicates services tailor-made for each client (firm/manager); integration indicates both an integrated, multi-faceted, and sequential series of actions and the integration of inter-organizational networks to support service provision.

The agency's core services can be summarized as follows: research and analysis of trends; steering and skills assessment; research and selection; training; income support; incentives to firms.

These services are provided in an integrated manner. First and foremost, this means that they are not provided in a piecemeal manner as a mechanical response to the user's needs, but as a coherent bundle of services tailored on the specific needs of each user. Additionally, service integration means that none of the processes exclusively involve the agency; rather, they also involve the actors which can respond to the specific needs of users, but have so far done so in a fragmentary way.

According to this perspective, these actors are seen as potential partners for providing – both directly and indirectly - as high an added value as possible for beneficiaries, rather than as economic rivals.

Each service can be provided by the agency alone, or with the support of other partners, according to the size and complexity of the activities to be carried out and the required skills.

This flexibility, along with the capacity to activate inter-organizational networks, makes it possible to provide varied services, including both individual and integrated services, and to contain management costs.

The anticipative creation of national and local networks, to be activated with partners that have similar objectives, professional ethics, working styles, tools, methodologies, and procedures becomes fundamental.

In other words, the innovativeness of the agency lies especially in the ability to provide integrated and sequential services; that is, to provide several different services in sequence, thus improving the potential and overall quality of the consultancy provided, along with the advantages to the client.

The various services provided by an integrated agencies can be grouped into three main areas of activity, which require a great degree of integration: a) research, studies, and analyses on professional skills and on the labour market; b) funding of training plans approved by the social partners and direct or indirect disbursement of unemployment subsidies; c) services to match the demand and supply for managerial employment.

3.3 Organizational characteristics and subjects involved

The agency's organizational framework, in keeping with its mission, will be characterized by the application of internal and external integration principles, and will aim to valorise local resources and the role of the social partners.

Below we describe the innovative and improved elements of the organizational framework with regards to the above-mentioned services, keeping in mind that the agency will have to comply with the law regarding its specific authorized activities⁵.

The existence of these normative constraints shall not prevent the agency to define its organizational framework in accordance with innovative criteria. Indeed, once the agency has met all legal requirements, it shall be free to establish an organizational structure that reflects its objectives.

In particular, the organizational model of an integrated service agency must be based on certain distinguishing characteristics that can set it apart from other operators.

The organizational framework should not replicate the typical structure of existing subjects. Instead, it should be structured in a manner that valorises the bilateral nature of the agency.

Therefore, the organizational model should not revolve around traditional organizational units (personnel office, general directorate, etc.). Instead, it should include professionals whose tasks include – in keeping with the objectives of each service processes the agency aims to provide - valorising the existing infrastructure managed by the social partners, and it should make use of the services of subjects who can assist it in carrying out its activities.

Indeed, already today the social partners provide services which, if taken singly, can be less than fully efficient (for instance, bilateral welfare support, training initiatives, etc.).

The agency's flexible organizational model aims to bring these services together in a network-oriented approach encompassing many areas: network of subjects, networks of services, and network of users. The integrated agency can thus provide services that are coherent with its institutional goals which, as we have seen, include the development of individuals and firms.

The various types of services that the agency will provide (forecasting analyses, needs analyses, training, etc.) will have to be coordinate by a subject with specific experience in this sector, whose task will be to organize and coordinate existing service structure (“service managers”).

⁵ With regards to Fondirigenti, we would like to point out that even for the current set of services provided, the foundation must comply with existing norms regarding authorization for matching employment supply with demand and for activities related to inter-professional funds.

Each service managers must coordinate their work with those responsible for other services; in order to guarantee such coordination, a superordinate will be in charge of the various service managers.

Service managers must thus ‘bring together’ the various segments of activity already carried out by the social partners or by other public or private bodies; the added value of this activity consists of uniting the individual existing services into one single network, so that they will no longer be managed individually, but rather become segments of broader interventions.

For example, there are already bi-lateral bodies providing welfare support, as well as other bi-lateral bodies providing services to match employment supply and demand.

Once an integrated service agency is established, those responsible for income support and for matching employment supply and demand would be responsible for the following activities: mapping the infrastructure ascribable to the agency’s promoting subjects, which already provide the services; definition of procedures to allow service integration.

In the example considered here, this activity should lead from the starting situation (existence of two bodies providing services in an independent manner) to a situation in which the provision of welfare support and access to services matching employment supply and demand work together so that welfare support is truly linked with active policies (for example, training) and can be controlled in its application.

Service managers would thus be responsible for the territorial coordination of the services and subjects that, according to the framework described above, should be involved in providing the agency’s services.

Another characteristic element of an integrated agency, which element has already been discussed in the previous paragraphs, is the centrality of inter-organizational relationships, which will be discussed in more detail below.

It is however worth remembering that the particular type of integrated agency proposed here is based on the principles of network organizations, which combine efficacy and efficiency in management.

Basing an organization, as in our case, on a network structure makes it possible to set ambitious goals in terms of targets and services without necessarily recurring to an

excessively complex structure. This approach straddles market and public-sector approaches, in full coherence with the associative spirit of the agency's promoters.

A network's basic characteristics call for organizations to enter into a long-term mutual exchange relationship, which includes a number of formalized transactions.

A network is thus characterized by: a plurality of subjects (organizations that are members of the network); the relative stability of transactions (exchanges between one or more suppliers and one or more producers; between the latter and one or more distributors); and the structure of exchanges (which does not mean bureaucratization, but rather planning the role of each network member; control of functional harmony; drafting methods to solve conflicts).

The classic network scheme implies long-term equilibrium: the transactions that take place within it are spontaneous and follow the laws of reciprocal convenience; a non-market framework gives particular long-term "meaning" and objectives to plurality and to a varied array of relationships and contracts.

It is possible that a "central" organization, or one that serves as a guide to other organizations – thanks to its size, planning capacity, and extent of market control – can take on the task of planning and sub-dividing inter-organizational work, thus becoming the leader and guiding organization of the network.

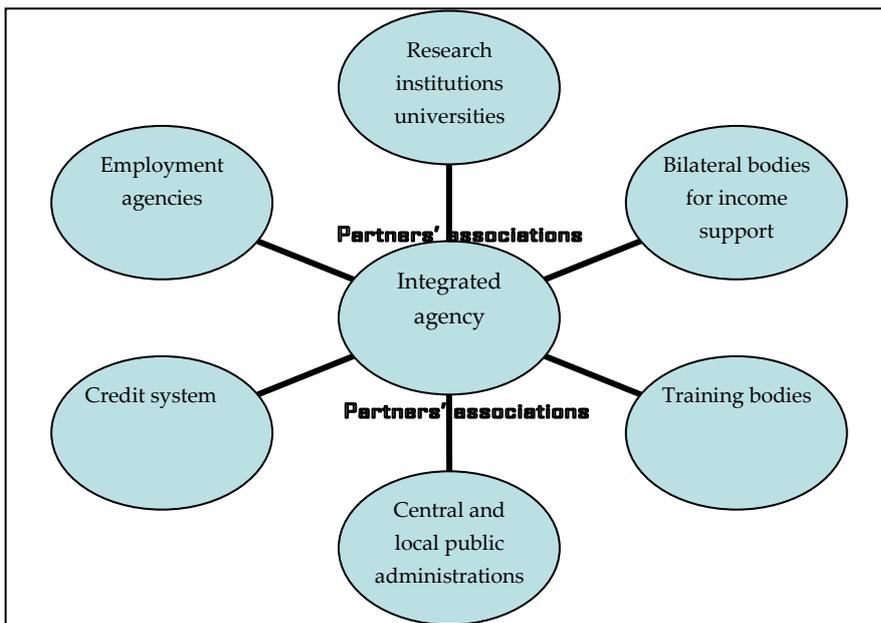
In our agency's case, the network includes a series of local hubs for each administrative division, which manage – with full autonomy - local collaboration processes in keeping with central strategies.

At the local and central levels, the agency shall identify a series of partners that range from research and training institutions, to trade associations, public institutions active in the fields of labour and development, and even the financial system. On the basis of their competences, long-term partnerships can be activated with the agency for the provision of services.

Maintaining our focus on integration, we are exploring ways of launching partnerships with local universities in order to perform analyses of employment trends and needs for professional skills, and to entrust these universities and other network members with specific responsibilities with regards to drafting training plans shared by the social partners at the local level.

Another hypothesis is that local financial institutions, such as regional credit institutions, may stipulate partnerships with the network's members for disbursing benefits to unemployed managers who, after undergoing professional re-training, are interested in opening their own business, to which financial institutions could provide the specific incentives set out in the local legislative framework.

Figure The agency's inter-organizational network



Finally, it is worth remembering that a network approach and the strong local nature of the integrated agency do not exclude an international dimension to its actions. Given the peculiarity of its

target group – managers – it is fundamental for the agency to establish stable relationships with the main international institutions and networks active in the labour market and firm competitiveness sectors. These include, among others, European Union institutions or associations and bodies with goals similar to those of the agency active in other countries. It is evident that such a network-based approach requires strong coordination and steering at both the central and local levels, to ensure that the partners are coherently involved with strategies and have a positive impact on management. It is thus necessary to carry out a preliminary mapping of the necessary skills within the agency, and to identify which of these can be found in other organizations to be added to the network.

In order to do so, the agency needs professionals who are able to manage such relationships, along with the right contractual instruments. Additionally, the qualitative

level of the results achieved must be constantly monitored, in order to implement corrective measures when necessary.

4. Research sources

4.1 Web sites

ISTAT	www.istat.it
ISFOL	www.isfol.it www.formazionecontinua.it
EIRO	www.eurofound.europa.eu/eiro
MINISTRY OF LABOUR	www.lavoro.gov.it
CEDEFOP	www.cedefop.europa.eu
FONDIRIGENTI	www.fondirigenti.it
CONFINDUSTRIA	www.confindustria.it
FEDERMANAGER	www.federmanager.it

4.2 Publications

Study Making transitions pay	<i>European job mobility partnership 2010</i>
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<p>Indagine relativa alla modellizzazione di un'agenzia di servizi integrati per lo sviluppo delle competenze dei lavoratori e della competitività delle imprese</p> <p>Survey on the modelling of an integrated services agency for the development of professional skills and firm competitiveness</p>	<p><i>Fondirigenti</i></p> <p><i>2008</i></p>
<p>Rapporto le competenze per lo sviluppo</p> <p>Skills and Development Report</p>	<p><i>Fondirigenti</i></p> <p><i>2008</i></p>
<p>Radicati reattivi e responsabili</p> <p>Well-rooted, reactive, and responsible</p>	<p><i>Fondirigenti</i></p> <p><i>2009</i></p>