

# BroadVoice

Broadening the spectrum  
of employee voice  
in workplace  
innovation

**National Report - Slovenia**

Deliverable 3.1



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## 3.1 National Report - Slovenia

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# 1. Executive Summary

This report presents a comprehensive analysis of direct worker participation in Slovenia, highlighting its theoretical framework, practical implementation, and the challenges faced. Direct worker participation, where employees have a direct say in decision-making processes, is significantly less developed in Slovenia compared to indirect participation through unions and works councils. The report includes four case studies from both the public and private sectors to illustrate the current state and potential of direct worker participation.

The report aims to provide an overview of direct worker participation in Slovenia, exploring its benefits and offering recommendations for its implementation. Direct participation involves various forms such as regular meetings, suggestion schemes, and joint decision-making committees. However, it has not received systematic attention in Slovenia, making it difficult to find appropriate case studies.

The first case study focuses on the manufacturing sector, specifically the rubber and chemical industry. This sector includes a leading tire manufacturer, part of a global corporation, employing around 1,800 workers. Labor relations in this company are characterized by high unionization but no binding collective agreements. The company maintains a collaborative relationship with workers, facilitated by works councils and worker representation at the board level. However, direct participation is limited by hierarchical structures. The company has an innovation system that allows employees to submit ideas, but financial incentives are minimal, leading to low participation. The company faces challenges such as a high turnover rate, declining workforce quality, and economic pressures.

The second case study in the manufacturing sector examines a prominent pharmaceutical company operating in over 70 markets, with multiple manufacturing locations. Labor relations within this company are well-structured and collaborative, with a high level of unionization and comprehensive collective bargaining agreements. Direct participation is evolving, with practices such as regular consultations, suggestion schemes, and joint committees. The effectiveness of participation is significantly impacted by the leadership style. The company faces challenges including high turnover rates, the need for continuous innovation, and regulatory changes.

The third case study shifts to the public sector, focusing on a retirement home that provides care and support for elderly individuals. This institution employs a significant number of staff members and has experienced a generational shift in workforce values and attitudes. There is an emphasis on open communication and employee empowerment. Direct participation is promoted through accessibility and informal communication channels, with the union playing a significant role in protecting employee rights. Challenges include bridging the gap between older and younger employees and ensuring continuous training and development.

The fourth case study also examines the public sector, focusing on Slovenia's national public broadcasting organization. This organization provides a wide range of radio, television, and multimedia services and employs over 2,000 workers. Labor relations are marked by conflicts among unions, employee dissatisfaction due to rising living costs and stagnant wages, and an aging workforce. Direct participation is facilitated through worker assemblies and direct interactions. Recent legislative changes have increased employee representation on the program council. The

organization faces challenges in balancing robust employee participation with effective management and organizational flexibility.

The case studies reveal significant insights into the implications of direct and indirect employee participation, sectoral differences, and future prospects. Both sectors face challenges in implementing effective participation practices, with hierarchical structures and financial constraints in the private sector, and bureaucratic limitations in the public sector. Unions and works councils play a crucial role in representing employees' interests, but their focus tends to be more on collective rather than direct individual participation.

The report concludes that direct worker participation in Slovenia is underdeveloped and faces several challenges. Effective communication, transparency, and a supportive legal framework are essential for enhancing participation. Recommendations include developing a legal framework for public sector participation, promoting direct participation practices, enhancing training and development, strengthening the role of unions and works councils, fostering a culture of openness and collaboration, addressing financial and bureaucratic constraints, leveraging technology, and encouraging employee-driven innovation. By implementing these recommendations, Slovenia can create a more inclusive and democratic workplace environment, improving organizational performance and employee satisfaction.

## 2. Introduction

The purpose of this report is to present a theoretical framework and interview analysis for direct worker participation in Slovenia. Compared to indirect participation, direct participation is significantly less developed in Slovenia, as it has not received systematic attention in practice or in the literature. Consequently, finding an appropriate set of case studies was challenging. The first step in identifying organizations was to explain what direct participation means and what its various forms are. This is especially true for the public sector, where workers' councils, as the central body of worker participation, do not appear.

Direct worker participation involves employees having a direct say in decision-making processes within their workplace. This can take various forms, such as regular meetings between workers and management, suggestion schemes, or joint decision-making committees. The lack of attention to direct participation in Slovenia means that there are few examples to draw from, making it difficult to study and implement effectively.

To address these challenges, this report aims to provide a comprehensive overview of the theoretical underpinnings of direct worker participation, explore its benefits, and offer recommendations for its implementation. By doing so, it seeks to contribute to the development of a more participatory and inclusive workplace culture in Slovenia.

Four case studies were conducted and analyzed, two in the public sector and two in the private sector. The selection criterion was the development of worker participation in general, with a specific emphasis on the presence of individual participation. Additionally, all four selected organizations have unions; workers' councils are present in both private sector organizations. In the public sector organizations, a workers' council is present in one organization, which, according to

the author, is the only one with an elected workers' council in the public sector; the other public sector organization does not have a workers' council. As explained in section four of this report, this is largely due to legislation. The private sector organizations were also selected based on ownership criteria: one is part of an international corporation, a multinational, while the other is a joint-stock company with majority domestic ownership.

In all four organizations, interviews were conducted with a representative of the employer (an employee in the HR department or director), a union representative (in one organization with two union representatives, as two unions are organized within the organization), and a member of the workers' council. The interviews were conducted online via Zoom in October and November 2024, each lasting between 30 to 45 minutes. Based on the conducted interviews, transcripts were prepared and then analyzed using content analysis methods. Additionally, internal sources, documents, regulations, and other available materials were used in the analysis.

The case studies aimed to provide a comprehensive understanding of how worker participation is implemented in different organizational contexts. By examining both public and private sector organizations, the report seeks to highlight the variations and commonalities in participation practices. The presence of unions and workers' councils was a key factor in the selection process, as these bodies play a crucial role in facilitating worker participation.

The findings from these case studies are intended to inform recommendations for enhancing worker participation in Slovenia. By identifying best practices and potential barriers, the report aims to contribute to the development of more effective participation mechanisms that can be applied across various sectors.

### **3. National literature review on direct worker participation and the role of industrial relations**

Slovenian literature on the topic of direct worker participation is very sparse, as practically no one at the academic level deals with this issue. All attention from the perspective of industrial relations is focused on collective worker participation, particularly on the functioning of works councils (e.g., authors Franca, Gostiša, Zinrstein) and, to a lesser extent, on the position of worker representatives in management and supervisory bodies (e.g., authors Franca, Strojín Štampar, Bohinc).

In the national database of published works, there have been practically no results with the keyword "direct worker participation" since 1993, when the Worker Participation Act was adopted. It is commonly noted that direct worker participation has been significantly overlooked and has not been systematically developed (Mesner-Andolšek 1999, Franca 2024). Industrial relations have not been involved in the development of direct participation in any significant way, making it difficult to assess the extent of its implementation.

We also reviewed materials and public publications from the Association of Works Councils (Združenje svetov delavcev, <https://www.delavska-participacija.com/>) and major trade unions in Slovenia (Zveza svobodnih sindikatov Slovenije, <https://www.zsss.si/>; Konfederacija svobodnih sindikatov Pergam, <https://sindikat-pergam.si/predstavitev/>), but we did not find any special

attention given to direct worker participation. The content of direct worker participation is partially included in academic works in the field of human resource management, but always within the context of another topic, thus subsidiary and secondary.

The European Working Conditions Survey, conducted within the framework of Eurofound (2020, 2022), presents data on direct worker participation in Slovenia, comparing it with the European Union (EU) averages. The data is sourced from two surveys: the European Working Conditions Telephone Survey 2021 and the European Company Survey 2019. These surveys provide insights into the perspectives of both employees and managers regarding various aspects of direct employee participation.

**Table 1.** Data – direct worker participation in Slovenia

<b>European Working Conditions Telephone Survey 2021</b>			
Questions to employees	value	EU	SI
Ability to choose or change methods of work	% often/always	46	45
Ability to choose or change order of tasks	% often/always	53	50
Ability to change speed or rate at work	% often/always	49	50
Ability to influence decisions important for work	% often/always	57	65
Involvement in improving the work organisation or work processes	% high	57	66
Organisational participation and discretion index	% high and high	31	34
<b>European Company Survey 2019</b>			
Questions to managers	value	EU	SI
Direct employee influence payment schemes	% great/moderate	33	37
Influence on training and skills development	% great/moderate	57	60
Influence on work organisation	% great/moderate	57	63
Influence on working time	% great/moderate	51	41
Level of direct influence of employees on management decision making	% high	34	29
Meetings between employees and their immediate manager	% yes regular	59	64
Online discussion boards	% regular	8	7
Suggestion schemes	% yes	36	50

Source: Eurofound and Cedefop (2020); Eurofound (2022).

The European Working Conditions Telephone Survey 2021 focuses on employees' experiences and their ability to participate directly in their work environment. According to the survey, 45 % of employees in Slovenia often

or always could choose or change their methods of work, which is slightly below the EU average of 46 %. Similarly, half of Slovenian employees report that they can often or always choose or change the order of their tasks, compared to 53 % in the EU. When it comes to changing the speed or rate of work, half of Slovenian employees have this ability, slightly higher than the EU average of 49%.

A notable finding is that 65 % of Slovenian employees feel they can often or always influence decisions important for their work, which is significantly higher than the EU average of 57 %. Additionally, 66% of employees in Slovenia report high involvement in improving work organization or processes, compared to 57 % in the EU. The Organizational Participation and Discretion Index, which measures the overall level of participation and discretion employees have, shows that 34 % of Slovenian employees have high participation and discretion, slightly above the EU average of 31 %.

The European Company Survey 2019 provides insights from managers on the influence of direct employee participation in various workplace aspects. In Slovenia, 37 % of managers report that employees have a great or moderate influence on payment schemes, which is higher than the EU average of 33%. When it comes to training and skills development, 60 % of Slovenian managers indicate that employees have a great or moderate influence, compared to 57 % in the EU. Similarly, 63 % of managers in Slovenia report that employees have a significant influence on work organization, higher than the EU average of 57 %.

However, the influence of employees on working time is reported to be lower in Slovenia, with only 41 % of managers indicating a great or moderate influence, compared to 51 % in the EU. The level of direct influence of employees on management decision-making is also slightly lower in Slovenia, with 29 % of managers reporting high influence, compared to 34 % in the EU.

Regular meetings between employees and their immediate managers are more common in Slovenia, with 64 % of managers reporting such meetings, compared to 59 % in the EU. The use of online discussion boards is slightly less prevalent in Slovenia, with 7 % of managers reporting regular use, compared to 8 % in the EU. Suggestion schemes, which allow employees to propose ideas and improvements, are more widespread in Slovenia, with half of companies having such schemes, compared to 36 % in the EU.

In summary, the data indicates that Slovenia generally aligns with or exceeds the EU averages in several aspects of direct employee participation. Slovenian employees report higher involvement in influencing important work decisions and improving work organization. Managers in Slovenia also report greater employee influence on payment schemes, training, and work organization. However, there are areas for improvement, such as employee influence on working time and direct influence on management decision-making. Overall, the data suggests a strong foundation for direct employee participation in Slovenia, with room for further enhancement in specific areas.

## 4. National institutional framework on direct worker participation and the role of industrial relations

Employee participation is a constitutional right in Slovenia, as stipulated by Article 75 of the Slovenian Constitution. This article states that employees shall participate in the management of economic organizations and institutions in a manner and under conditions prescribed by law. The law that concretizes this right is the Worker Participation in Management Act. This act specifies the methods and conditions for employee participation in the management of economic companies, regardless of the form of ownership, self-employed individuals with at least 50 employees, and cooperatives. According to Article 1 of this act, employees exercise their right to participate in the management of institutions individually as per the provisions of this law, and collectively in accordance with a special law.

However, for public institutions, such a law has never been enacted. Despite the Constitutional Court's decision in 1997, which declared the existing regulation unconstitutional and mandated the legislature to rectify this by passing a new law, this has not been done to date. Consequently, employees in public institutions have significantly fewer opportunities to exercise their co-management rights.

The Worker Participation in Management Act outlines various forms of employee participation, including representation on supervisory boards, works councils, and other forms of direct and indirect participation. In the private sector, this framework has been implemented to varying degrees, allowing employees to have a say in the decision-making processes of their organizations. This participation is seen as crucial for fostering a collaborative work environment, improving job satisfaction, and enhancing organizational performance.

In contrast, the public sector faces significant challenges in implementing effective employee participation. The absence of a specific law for public institutions means that employees in these sectors are often excluded from formal participation mechanisms. This lack of representation can lead to a disconnect between employees and management, resulting in lower job satisfaction and reduced organizational efficiency.

The Constitutional Court's ruling in 1997 highlighted the importance of employee participation as a fundamental right and called for legislative action to ensure that this right is upheld across all sectors, especially the public sector. The court emphasized that employee participation is essential for democratic governance within organizations and for protecting the interests of employees. Despite this, the necessary legislative changes have not been made, leaving a gap in the legal framework for public sector employee participation (Franca 2023).

The current situation underscores the need for a comprehensive approach to employee participation that includes both the private and public sectors. Ensuring that all employees have the opportunity to participate in the management of their organizations is vital for promoting fairness, transparency, and accountability. It also aligns with broader democratic principles and the goals of social justice.

Moving forward, it is imperative for the Slovenian legislature to address this issue by enacting a law that provides a clear framework for employee participation in public institutions. Such a law should outline the rights and responsibilities of employees and management, establish mechanisms for representation and participation, and ensure that employees have a meaningful voice in the decision-making processes of their organizations.

Thus, while employee participation is a constitutional right in Slovenia, the lack of a specific law for public institutions has created disparities between the private and public sectors. Addressing this gap is essential for ensuring that all employees can exercise their co-management rights and contribute to the effective governance of their organizations. Legislative action is needed to fulfill the Constitutional Court's mandate and to promote a more inclusive and democratic workplace environment across all sectors.

The Worker Participation in Management Act primarily regulates the elections and functioning of works councils and worker representatives in management bodies. Direct employee participation is superficially addressed in Article 2 of the Worker Participation in Management Act, which stipulates that employee participation in management is also realized through the 1) right to initiative and the right to a response to such initiatives, 2) the right to information, 3) the right to give opinions and proposals, and the right to a response to these. With the right to initiative and the right to a response to the initiative, this right is not limited in content, meaning that an employee can initiate an initiative in any area of business. The Worker Participation in Management Act imposes an obligation on the employer to respond to the initiative only if the issues relate to the employee's workplace or their work or organizational unit (first indent of the second paragraph of Article 88 of the Worker Participation in Management Act). If the employer does not do so within 30 days, this is considered an offense in accordance with point 14 of Article 107. The right of employees to be informed is primarily intended to enable employees to monitor the operation and business of the employer. This right mainly pertains to the functioning of the works council, as the Worker Participation in Management Act in Articles 88 and 89 lists the contents that the employer must inform

employees about, and it is stipulated that employees must be informed about certain matters before a final decision is made (Article 90).

With the right to give opinions and proposals and the right to a response to them, giving an opinion involves the free formation of a party's stance in a participatory relationship on issues of mutual relations and appropriately informing the other party of these stances. A proposal, from a legal-formal perspective, is an act that requires the recipient to consider the act, form a stance, and inform the proposer of these stances. However, if the employer does not respond to the given opinion or proposal, there are no consequences under the provisions of the Worker Participation in Management Act. Nevertheless, the employer has a duty to carefully examine the opinion and proposal, as it may, in substance, be an initiative to which they are obliged to respond. It is important to consider the principle that content is more important than form.

In one of the few studies on the implementation of the Worker Participation in Management Act (Franca 2009), it was found that employers respond to questions and initiatives from employees related to the workplace within a few days in less than half of the participating companies. In just under a quarter of the participating companies, they respond immediately, while in 14 % of the companies, employees must wait a month, and in 13 % of the companies, they wait a week. Responses later than one month occur in only 5 % of the participating companies. The study also shows that it is rare for employees to request that the employer or an authorized employee explain issues related to wages, other working conditions, and the contents of the Worker Participation in Management Act. However, it is necessary to express a certain degree of criticality regarding these results, as the data were collected more than a decade ago; it is expected that the results could be somewhat different today, especially due to the empowerment of employees in exercising their rights.

Furthermore, Article 4 of the Act states that employees have the right to individual and collective participation in management, particularly in co-decision-making or influencing the content and organization of work, as well as in determining and implementing activities aimed at improving working conditions, humanizing the work environment, and achieving successful business operations.

Article 5 of the Act is also significant for the realization of employee participation, as it provides for the possibility of concluding a participation agreement. This means that an agreement between the works council and the employer can specify additional methods of employee participation in management. A written agreement between the works council and the employer can further detail the exercise of rights under this Act and other issues specified by this Act. It can also agree on more co-management rights for employees than those stipulated by this Act. In practice, such agreements are indeed concluded, but their content tends to focus on the collective aspects of employee participation and less on direct employee participation (Franca 2009; 2023; 2024).

For the implementation of employee participation in the public sector, the Institutes Act is also important. Article 29 of this Act stipulates that the institute is managed by the institute's council. This council is composed of representatives of the founder, representatives of the institute's employees, and representatives of users or the interested public. The composition, method of appointment or election of members, duration of the mandate, and competencies of the council are determined by law or the act of establishment, or by the statute or rules of the institute. In practice, this means that employees usually have from one-third to at most half of the members, but they do not have a predominant influence.

## 5. Case study development

### 5.1. Manufacturing sector

The first manufacturing sector is the **rubber and chemical industry**, which is one of the leading manufacturing sectors in Slovenia. It contributes approximately 25 % of the added value of the entire Slovenian industry, making it one of the most important sectors in the country. The industry is highly productive, generating the highest average added value per employee compared to other manufacturing activities. Additionally, it is strongly export-oriented, with 81 % of sales value generated in foreign markets, primarily in Europe. Companies in the rubber and chemical industry are diverse, ranging from large international corporations to smaller domestic firms. Most companies are involved in the production of chemicals, synthetic fibers, rubber products, and plastics. A significant part of the sector also includes pharmaceutical companies, which generate high added value per employee (see below).

The workforce in the rubber and chemical industry is highly skilled and specialized. The average added value per employee in the rubber industry is approximately 57,000 euros. Workers in this sector represent 17 % of all workers in manufacturing activities in Slovenia.

Industrial relations in the rubber and chemical industry are well-developed, although currently there is no valid collective agreement on the sectoral level. There is no official data regarding the unionization of workers, but based on the observations it can be said that workers join unions and unions play a crucial role in representing workers' interests. Workers' councils are commonly present in bigger companies, similarly as in other private companies.

As already explained in this report direct worker participation in Slovenia is less developed compared to other forms of participation. However, some companies in the rubber and chemical industry are implementing practices such as regular meetings between workers and management, employee suggestion schemes, and joint decision-making committees. These practices contribute to a more inclusive work environment and improve working conditions.

The rubber and chemical industry in Slovenia face several challenges. Among the main ones are the need for continuous innovation and adaptation to new technologies, ensuring sustainable development, and reducing environmental impact. Additionally, it is important to improve direct worker participation and strengthen the role of workers' councils.

The second sector analyzed in the report is the **pharmaceutical sector** in Slovenia, which also falls under the umbrella of the chemical industry, and it is a significant contributor to the national economy. In 2021, the market size was estimated at approximately 550 million euros, with exports reaching around 2.4 billion euros and imports at about 360 million euros. The sector is characterized by a strong export orientation, with major markets in Europe and beyond. The industry is expected to grow at an annual rate of 7 % over the next few years.

Slovenia's pharmaceutical industry includes a mix of large domestic companies and international players. The sector is dominated by two major companies, a leading generic pharmaceutical manufacturer, and a company, which is part of the Sandoz division of Novartis. These companies are known for their extensive global reach and significant contributions to pharmaceutical research and development. Additionally, there are numerous smaller companies and subsidiaries of international firms operating in Slovenia.

The workforce in the pharmaceutical sector is highly skilled, with a strong emphasis on research and development. The sector employs a significant number of scientists, researchers, and technical staff. The average expenditure on pharmaceuticals per Slovenian is approximately 322 euros annually, with an average of nine prescription medications per person. This indicates a well-developed domestic market for pharmaceutical products.

Industrial relations in the pharmaceutical sector are well-established, with a high level of unionization and comprehensive collective bargaining agreements. The sector benefits from strong representation by unions and employers' associations, which play a crucial role in negotiating working conditions and wages. Collective bargaining coverage is extensive, ensuring that the majority of workers are covered by sector-specific agreements. In larger companies, there are also highly effective works councils, and workers are represented at the board level.

Direct worker participation in the pharmaceutical sector is evolving, with companies increasingly adopting practices that involve workers in decision-making processes. This includes regular consultations between management and workers, suggestion schemes, and joint committees. These practices aim to enhance employee engagement and improve organizational performance.

The pharmaceutical sector in Slovenia faces several challenges, including the need for continuous innovation and adaptation to new technologies. The industry must also navigate regulatory changes and maintain competitiveness in a global market. Additionally, there is a growing emphasis on sustainable development and reducing the environmental impact of pharmaceutical production<sup>2</sup>. Strengthening direct worker participation and enhancing industrial relations will be crucial in addressing these challenges and ensuring the sector's continued growth and success.

### 5.1.1. Case study 1

#### ***About the company***

The first company has been a part of a global corporation since 1998, and it is one of the leading tire manufacturers in the country. The company operates a major manufacturing facility in west Slovenia, which has seen significant investment and expansion over the years. Since its establishment, it has invested over 370 million euros in this facility to enhance its production capabilities and maintain competitiveness. The company is known for its focus on producing high-quality, premium-segment tires and its commitment to continuous improvement and innovation. In response to growing demand for premium, larger-rim-diameter tires in Europe, the company invested 94 million euros to expand its Kranj facility, increasing its capacity by approximately 25 %. This expansion includes the addition of advanced tire-building machines and new production lines, enabling the production of an additional 1.8 million premium tires annually. The Slovenia part of the corporation is dedicated to innovation is also reflected in its efforts to develop sustainable and environmentally friendly production processes.

In 2023, the company increased its sales revenue by 2.75 %, reaching 294.16 million euros. The increase in total net sales revenue is the result of an improved sales program structure and higher prices. At the beginning of 2023, they completed an investment project, into which they had invested 94 million euros over the past few years, enabling the establishment of production for 20-inch tires. The company also experienced a decline in demand for certain programs and segments for passenger cars, trucks, and buses in 2023. Sales growth was only seen in all-season tires, which increased by 7 % compared to 2022.

In 2023, they continued with regular investments in the production plant, with total investment expenditures amounting to 10.83 million euros. Operating profit decreased from 4.47 million euros in 2022 to an operating loss of 0.21 million euros in 2023. The net loss in 2023 amounted to 0.84 million euros.

The company employs around 1,800 workers, making it one of the largest employers in the region. The workforce is highly skilled, with a significant number of workers working in production, maintenance, and engineering roles. The company places a strong emphasis on employee development, offering various training programs, career advancement opportunities, and educational

support. Labor relations at the company are well-established, with a high level of unionization. However, there are no binding collective agreements in place, either at the sectoral level or the company level. The company maintains a collaborative relationship with its workers, ensuring that their rights and interests are well-represented. In larger companies like the one selected, there are highly effective works councils, and workers are also represented at the board level. This structure facilitates direct worker participation and helps in addressing employee concerns effectively. Besides that, the company prioritizes employee well-being, offering competitive salaries, additional pension insurance, accident insurance, and various health and wellness programs. The company recognizes and rewards long-term employed workers, organizes events for workers and their families, and supports community engagement through volunteer projects.

### ***Interviewees***

The interviewees in this company were the President of the Workers' Council, who has been with the company for 33 years and has served as President for 22 years, though he is not a union member; the Union Representative, who has 32 years of service, 25 years as a union member, 15 years as a union trustee, and 20 years on the Workers' Council; and the HR Representative, who has been with the company for 7 years and handles recruitment, compensation, disciplinary actions, talent development, performance evaluations, issues related to employees with disabilities, and collaborates with lawyers on legal matters.

### ***Labour relations in the company***

The President of the Workers' Council rated the overall labor relations a 7 out of 10. He highlighted that the economic situation and the industry, being part of the automotive sector, are challenging. The workforce mainly consists of individuals from former Yugoslavia, particularly Bosnia and Herzegovina. He noted that the quality of the workforce is declining, with a shrinking talent pool and sophisticated machinery requiring skilled operators. The organizational climate is poor from an HR perspective, with a turnover rate of 14 % - 16 % in 2023, despite a 16 % wage increase. He attributed 50% of the turnover to the labor market and the other 50 % to HR policies. The workforce is predominantly male, with a few women in production who often take sick leave due to the demanding four-shift work schedule. The average age of employees is 41 years, which has recently decreased. The Union Representative mentioned that labor relations have deteriorated recently. When the factory was managed by foreigners, the contacts were better, but under Slovenian management, it has become more challenging. He pointed out that many older workers have nowhere else to go, while younger employees come and go quickly. The focus in the factory is on production output, with little investment in relationships. He noted that there are about 20 departures per month in production, and the administrative staff also changes frequently. Young workers are very cost-conscious and tend to leave quickly. The HR Manager explained that all employees are directly hired, with no agency workers, and 80% are from Bosnia and Herzegovina. The company prefers to hire individuals with secondary education due to the complexity of the work and the need for computer literacy to operate sophisticated machinery. Most employees are young, with some from Serbia, Macedonia, Montenegro, Albania, Egypt, and Saudi Arabia. The company hires mainly through recommendations, offering a 600 euros bonus for successful referrals. They also participate in career fairs and have conducted recruitment tours in Bosnian cities, which were more successful than those in Serbia. The company operates 24/7 with a four-shift system, and many employees commute

together to save costs. The HR Manager also mentioned that there are no binding collective agreements, but they follow a gentleman's agreement for the rubber and chemical industry, maintaining rights from previous agreements. They are working on a new collective agreement with the unions and the Workers' Council, aiming to finalize it next year. The organizational climate survey is currently underway, with results expected at the end of November. The average age of employees is 42 years, and many long-term employees are now retiring. The workforce is diverse in terms of values and religions, predominantly Muslim, which makes organizing work around holidays challenging. The physical nature of the work, combined with fasting during Ramadan, often leads to health issues. The company provides safety and health training in the employees' native languages and offers Slovenian language courses for easier communication. They have also tried employing asylum seekers, hiring 300 people last year through recommendations and agencies. Training includes mentorship and introductory seminars on safety and quality, with employees required to pass an exam before starting work.

### ***Direct employee participation and the interplay***

The President of the Workers' Council explained that the company has two trade unions and a workers' director, which is required for companies with more than 500 employees. However, he noted that the workers' director is largely symbolic, with no real authority. The two unions have 150 and 115 members respectively, making up about 16 % of the workforce. Despite this, the unions are considered representative due to their industry affiliation. One of the unions operates as a sole proprietorship, which affects its representativeness. The management treats both unions equally. Within the Workers' Council, there is a five-member committee for health and safety, including an external safety engineer, which collaborates well with the safety department. The President also mentioned that the Workers' Council has a signed cooperation agreement with the unions, ensuring regular communication and transparency. Half of the Workers' Council members are union members, which sometimes leads to tensions, especially given the religious diversity in the workforce, predominantly Muslim. The union leaders and the workers' director are from Bosnia, and there is a tendency to increase their influence in the Workers' Council by the next term in 2028. They have specific demands, such as creating prayer rooms and reducing work during Ramadan, which management has partially accommodated by adjusting meal options but not allowing prayer rooms. The Union Representative noted fluctuations in union membership, with the larger union (KNG) having around 150 members, down from 400-500, and the smaller union (KNSS) having under 200 members. The total workforce is 1,800 employees. Cooperation between the unions varies depending on the issue, with competition over resources and influence. The larger union is part of a regional federation and is considered representative. Cooperation with the Workers' Council is generally good, with some members involved in both unions and the council. The union provides significant support to its members, including financial aid for various personal and emergency situations. The HR Manager stated that direct worker participation in decision-making is limited, with a hierarchical structure where workers report to their shift supervisors. The company demands strict adherence to instructions and procedures. They have an innovation system where employees can submit ideas, which are evaluated and rewarded if they result in savings or improvements. The company has automated many processes, reducing physical labor. Training and development are emphasized, with internal transfers and a scholarship program to retain and develop talent. The HR Manager also mentioned that there is no formal system for direct participation, but they conduct satisfaction surveys and use the feedback to improve. The Workers' Council and unions collect suggestions and

present them to management. Daily interactions between production managers and workers allow for immediate feedback and problem-solving. The company also runs a community project called "Better Future," where teams of employees choose local organizations to support, with the company providing funding and paid volunteer hours.

The President of the Workers' Council emphasized that direct employee participation begins with workplace safety. The company uses various communication channels such as televisions, portals, and notice boards to inform employees, and these are introduced during the induction seminar. He noted that management support is more significant than the Workers' Council in this regard. Regarding innovation, the President mentioned that the Workers' Council takes award-winning employees twice a year to visit successful Slovenian companies to exchange experiences on employee participation in management. This initiative helps employees see the benefits of their involvement. They have visited 15 companies so far. While they cannot influence profits due to being part of a corporation, they encourage all other aspects of participation. Performance indicators are publicly accessible, with TVs in both dining areas displaying this information. The Union Representative observed that employees are not very organized, and management exerts more pressure. Satisfaction varies by department, with less hierarchical structures leading to higher satisfaction. He noted that individual or group participation is encouraged, but there are no significant rewards, leading to a lack of motivation. In his department, the environment is positive, with clear roles and good cooperation, but this is not the case everywhere. He pointed out that recognition for good work is rare, while mistakes are quickly reprimanded, which discourages initiative. The union and Workers' Council could do more to improve this, but he is unsure how. Communication is a major issue, especially with a workforce that is more than 50% foreign, mainly from Bosnia and Herzegovina and Serbia. On innovation, the Union Representative mentioned that while there are opportunities to submit ideas, financial incentives are minimal, leading to low participation. Projects for production optimization are ongoing, but without strong financial incentives, employees are less motivated. The management is active in promoting participation, but the impact is limited. The HR Manager highlighted various initiatives to foster employee engagement, such as family days, picnics, and events for long-serving employees. These activities help build team spirit and company loyalty. In terms of work operations and products, the company is innovative, stopping machines if they are unsafe. However, repeated suggestions that are not implemented due to budget constraints reduce employee motivation. They have a "Speak Up" line to report issues, with zero tolerance for any form of violence or harassment. Employees are encouraged to report problems, but repeated unaddressed issues lead to frustration. The HR Manager also noted that while management does not make decisions without consulting the unions and Workers' Council, there is no significant conflict. They collaborate on various initiatives, such as drafting a policy for the right to disconnect. During election periods, activities increase. Suggestions mainly come through the Workers' Council, while unions focus on demands. Direct participation is limited, with unions often prioritizing their own interests over those of the workers. Recent negotiations resulted in wage increases for production workers but not for administrative staff, highlighting a disparity in representation. The HR Manager mentioned that unions and the Workers' Council are included in decision-making processes, and there is no significant conflict or disagreement. However, during the last negotiations, wage increases were secured only for production workers, not for administrative staff, indicating a focus on their own interests rather than the broader workforce.

The President of the Workers' Council observed that foreign managers are more supportive of innovation, while Slovenian managers tend to push the boundaries of legality to achieve their goals. He expressed skepticism about the future development of direct employee participation, noting that it largely depends on changes in market conditions. The Union Representative expressed frustration

with the current environment, where pointing out mistakes often leads to negative repercussions. He noted that employees are hesitant to speak up due to fear of retaliation, which hampers open communication and innovation. He also mentioned that the rapid turnover of younger employees affects the stability and continuity of innovation efforts. The HR Manager was pessimistic about the future of direct employee participation, believing that indirect participation through unions and the Workers' Council will remain more prevalent. She emphasized the need to maintain the current state of participation and collaboration to ensure stability.

## **Summary**

The company is part of a global corporation and has invested significantly in its Slovenian facility, focusing on producing high-quality, premium-segment tires. Despite facing economic challenges and a decline in demand for certain products, the company has continued to invest in its production capabilities and workforce.

The company employs around 1,800 workers and emphasizes employee development and well-being. Labor relations are characterized by a high level of unionization, although there are no binding collective agreements. The company maintains a collaborative relationship with its workers, facilitated by effective works councils and worker representation at the board level. This structure supports direct worker participation, addressing employee concerns and ensuring their rights and interests are represented.

Labor relations face challenges such as a high turnover rate and a declining quality of the workforce. The company prefers hiring skilled workers and has a diverse workforce, including many employees from Bosnia and Herzegovina. Direct employee participation in decision-making is limited, with a hierarchical structure where workers report to shift supervisors. The company has an innovation system that allows employees to submit ideas, which are evaluated and rewarded if they result in savings or improvements. However, financial incentives for innovation are minimal, leading to low participation.

The company places a strong emphasis on workplace safety and communication, using various channels to inform employees. Efforts to engage employees and encourage innovation include visits to successful Slovenian companies. However, employees are not very organized, and management exerts more pressure, leading to a lack of motivation and initiative.

Various initiatives are in place to foster employee engagement, such as family days and events for long-serving employees. Despite these efforts, repeated unaddressed issues and budget constraints reduce employee motivation. While management consults with unions and the Workers' Council, direct participation is limited, and unions often prioritize their own interests.

In conclusion, direct employee participation in the company is constrained by a hierarchical structure and limited financial incentives. While there are efforts to engage employees and encourage innovation, the overall impact is limited by management practices and the lack of a formal system for direct participation. The future development of direct employee participation largely depends on changes in market conditions and management support.

<b>Company characteristics</b>	Part of a global corporation since 1998, leading tire manufacturer in Slovenia; over €370 million invested in the facility, with a recent €94 million expansion to increase production capacity by 25%.
	Focus on high-quality, premium-segment tires and sustainable production processes.
<b>Industrial relations</b>	Moderate level of unionization
	Trade unions and works council
	No binding collective agreements
<b>Direct worker participation</b>	Direct participation in decision-making is limited.
	Various channels used to inform employees, but motivation and initiative are low due to management practices.
<b>The role of industrial relations in direct worker participation</b>	Collaboration: Regular communication and transparency between Workers' Council and unions, but tensions exist due to religious diversity.
	Support: Unions provide significant support to members, but cooperation varies depending on the issue.
	Engagement Initiatives: Family days, picnics, and events for long-serving employees to foster engagement. Challenges: Repeated unaddressed issues and budget constraints reduce motivation.
<b>Difficulties</b>	Turnover: High turnover rate and declining quality of workforce. Management Practices: Limited direct participation and minimal financial incentives for innovation.
<b>Impacts</b>	Workers: Conditions and well-being affected by high turnover and poor organizational climate. Company: Performance impacted by economic challenges and declining demand for certain products. Innovation: Efforts to engage employees and encourage innovation are limited by management practices.
<b>Future prospects</b>	Sustainability: Future development of direct employee participation depends on market conditions and management support.

### 5.1.2. Case study 2

#### **About the company**

This Slovenian pharmaceutical company is a prominent player in the global market, known for its extensive range of high-quality, affordable medicines. The company operates in over 70 markets worldwide, with a strong presence in Central, Eastern, and Southeastern Europe. It has multiple manufacturing locations, including facilities in Slovenia, Russia, Poland, Germany, Croatia, and China.

In recent years, the company has demonstrated robust financial performance. For instance, in the first half of 2024, it generated revenue of 985.4 million euros, marking a 7 % increase year-on-year.

The net profit for this period was 221.6 million euros, up 30 % from the previous year. The company has maintained a steady growth trajectory, with a compound annual growth rate (CAGR) of 7.4 % in sales revenue from 2005 to 2022. It is also a leading manufacturer of statins, sartans, and proton pump inhibitors in its region.

The company's product portfolio is diverse, including prescription pharmaceuticals, non-prescription products, and animal health products. It has a strong focus on research and development, investing significantly in new product development and maintaining a high level of innovation. In the first quarter of 2023, the company achieved sales of 456.3 million euros, with notable growth in veterinary products and health-resort services.

Labor relations within the company are well-structured and collaborative. The workforce is diverse, with workers from various countries and backgrounds. The company places a strong emphasis on workers development, offering numerous training programs and career advancement opportunities. It also prioritizes worker well-being, providing competitive salaries, additional pension insurance, accident insurance, and various health and wellness programs. The company operates with a high level of unionization, and labor relations are managed through effective works councils and worker representation at the board level. This structure facilitates direct worker participation, ensuring that employee concerns are addressed, and their rights are protected. The company also engages in regular communication with its employees through various channels, promoting transparency and collaboration.

Despite the positive aspects, the company faces the need for continuous investment in employee training and development. The management is committed to addressing these issues by fostering a supportive work environment and encouraging innovation and employee engagement. Overall, this Slovenian pharmaceutical company is a leader in its field, known for its strong financial performance, commitment to innovation, and collaborative labor relations. Its ongoing investments in production capabilities and workforce development position it well for continued success in the global market.

### ***Interviewees***

The President of the Workers' Council has been with the company for 43 years, starting in 1981. She began her mandate in the Workers' Council in 2005 and became President in early 2023. She joined the Supervisory Board in June 2024. Initially a union member, she worked 11 years in production and has been in development since 1992. The President of Union 1 has worked at the company for 40 years and will retire next year at 60. His term as union president ends this year, with elections for a new president on November 30. He has served three terms as president, totaling 20 years, and is currently in his fourth term.

The President of Union 2 has been with the company for 17 years and a union member throughout. He has been on the union's executive committee for six years and president for nearly two years. He is a shift leader in the raw materials warehouse. The HR Manager joined the company in 2006, working in various HR roles. She took over the entire HR department in 2018, overseeing education, development, recruitment, and systems management.

### ***Labour relations in the company***

Labor relations within the company have evolved significantly over the years, reflecting changes in employee education levels and expectations. Initially, vocational education was rare among regular workers, but now, most employees have at least a secondary education. The company has supported further education, allowing employees to improve their qualifications, which has led to a more educated and consequently more demanding workforce. This shift is evident in the increased vocalization and desire for inclusion among employees, who now actively seek information and participation in decision-making processes.

Historically, the company has been known for good employee relations and competitive salaries. However, recent inflation has eroded wages, making it difficult for employees to manage on starting salaries despite recent increases. This economic pressure has highlighted generational differences in attitudes towards work. The younger generation shows less tolerance for overtime and weekend work compared to the older generation, who were more accustomed to these demands. Despite these challenges, the company has seen an increase in new hires, particularly younger employees, which is a positive sign for its future workforce.

Employee values have also shifted from a focus on company stability to immediate salary concerns. Organizational satisfaction has decreased, particularly among younger employees who are more self-focused. The company now hires older employees as well, reflecting a broader age range in the workforce. While the company remains strong with good results, its salaries are no longer as competitive as they once were.

The company's commitment to training and education remains strong. It was the first to implement national vocational qualifications for certain roles due to gaps in the educational system. This commitment to maintaining a high level of knowledge among employees continues, with ongoing upgrades to training programs. The workforce is becoming younger, with a significant number of retirements from the baby boomer generation. Younger employees are eager for advancement and immediate information, prompting the company to enhance internal communication. The emphasis on work-life balance and career development reflects the changing needs of its diverse workforce.

Overall, labor relations in the company are characterized by a more educated and demanding workforce, shifts in employee values, and ongoing efforts to improve training and communication. Direct worker participation has increased, reflecting a more engaged and vocal employee base. The company continues to adapt to these changes, striving to balance the needs of its employees with its operational goals.

### ***Direct employee participation and the interplay***

The company has made significant strides in developing direct employee participation over the years. This progress is evident in the increased vocalization of employees regarding their satisfaction and suggestions for organizational improvements. Employees now actively seek information and inclusion in decision-making processes, a shift facilitated by the Workers' Council. This council encourages employees to first address their issues with supervisors and, if unresolved, to escalate them to council members who maintain direct communication with management. This structured approach has led to continuous improvements in both direct and indirect participation.

Established in 2005, the Workers' Council initially faced challenges but has since built a strong relationship with management. The effectiveness of direct participation largely hinges on the leadership style of supervisors. Empathetic and engaged leaders who listen to their employees tend

to foster better participation and improvements in work processes, while autocratic leadership styles can hinder these efforts.

Management has consistently supported the Workers' Council, emphasizing open communication and collaboration. Clear agreements delineate the roles and responsibilities of the Workers' Council and the unions, ensuring smooth cooperation and conflict resolution. This collaborative environment has been crucial in maintaining organizational culture and employee satisfaction.

The unions play a pivotal role in representing employees' interests, particularly concerning wages and working conditions. The company has two unions, each with its own focus but working together to protect employees' rights. They have successfully negotiated favorable terms, including annual bonuses and performance-based rewards. However, recent changes in government tax policies have negatively impacted employees' net income, causing some dissatisfaction.

The HR department underscores the importance of respectful and open communication, a longstanding tradition within the company. Regular meetings with employee representatives address various issues, from organizational changes to daily operational concerns. The company has never resorted to layoffs, even during program discontinuations, reflecting a strong commitment to job security.

Innovation is encouraged through a well-established system that allows employees to propose improvements. These suggestions are evaluated, and successful ideas are rewarded, fostering a culture of continuous improvement. Annual events celebrate the best proposals, reinforcing the value of employee contributions.

Employee satisfaction is regularly measured through surveys, helping to identify areas for improvement. The company uses multiple communication channels to ensure transparency and responsiveness. This approach has led to high levels of employee engagement and low turnover rates, contributing to the company's overall success.

In conclusion, the company's approach to direct employee participation is characterized by structured communication, strong leadership support, and a commitment to continuous improvement. The collaborative efforts of the Workers' Council, unions, and management have created a positive work environment where employees feel valued and heard. This has resulted in high levels of job satisfaction, innovation, and organizational stability.

## ***Innovation***

The company has developed a robust system to encourage direct employee participation and innovation. When an employee proposes an idea, it can be quickly realized if deemed valuable. The technical department gets involved in creating a cost estimate, and if the proposal is implemented, the employee is rewarded. This process includes the employee throughout, ensuring they receive recognition and a reward if the idea is evaluated positively. Additionally, there is a small group of people who can directly stimulate innovation. For instance, if someone suggests a digital solution, they might not need to formally submit a proposal; instead, they can receive immediate encouragement and a monthly bonus distribution of about 4%.

Innovation is encouraged among all employees, though not everyone is willing to come forward. The system is designed to be inclusive, allowing anyone to submit an improvement idea, no matter how small. Employees can easily access and submit forms to their supervisors, who then pass them

on for further evaluation. No idea is dismissed outright; even if an idea cannot be implemented due to broader organizational constraints, it is still considered and explained why it might not be feasible. This approach ensures that employees feel valued and part of the process, fostering a sense of belonging and importance.

In summary, the company's commitment to fostering innovation and direct employee participation is evident. The structured yet flexible approach allows employees to contribute ideas and improvements, ensuring they feel recognized and integral to the company's success. This system not only enhances job satisfaction but also strengthens organizational loyalty and engagement.

### ***Future development***

The company has made notable progress in fostering direct employee participation. This development is marked by increased employee engagement in organizational improvements and decision-making processes. The Workers' Council plays a pivotal role in this evolution, encouraging employees to address issues with their supervisors first and then escalate unresolved matters to the council, which maintains direct communication with management. This structured approach has led to continuous enhancements in both direct and indirect participation.

The Workers' Council, established in 2005, has built a strong relationship with management over the years. The effectiveness of direct participation largely depends on the leadership style of supervisors. Empathetic and engaged leaders who listen to their employees tend to foster better participation and improvements in work processes, while autocratic leadership styles can hinder these efforts. The council's role in educating its members about the broader system and strategic approaches is crucial for effective participation.

The unions also play a significant role in representing employees' interests, particularly regarding wages and working conditions. The company has two unions, each with its own focus but working together to protect employees' rights. They have successfully negotiated favorable terms, including annual bonuses and performance-based rewards. However, recent changes in government tax policies have negatively impacted employees' net income, causing some dissatisfaction.

The HR department emphasizes respectful and open communication, a longstanding tradition within the company. Regular meetings with employee representatives address various issues, from organizational changes to daily operational concerns. The company has never resorted to layoffs, even during program discontinuations, reflecting a strong commitment to job security.

Innovation is encouraged through a well-established system that allows employees to propose improvements. These suggestions are evaluated, and successful ideas are rewarded, fostering a culture of continuous improvement. Annual events celebrate the best proposals, reinforcing the value of employee contributions.

Employee satisfaction is regularly measured through surveys, helping to identify areas for improvement. The company uses multiple communication channels to ensure transparency and responsiveness. This approach has led to high levels of employee engagement and low turnover rates, contributing to the company's overall success.

In summary, the company's approach to direct employee participation is characterized by structured communication, strong leadership support, and a commitment to continuous improvement. The collaborative efforts of the Workers' Council, unions, and management have

created a positive work environment where employees feel valued and heard. This has resulted in high levels of job satisfaction, innovation, and organizational stability.

### **Summary**

This Slovenian pharmaceutical company is a significant player in the global market, known for its extensive range of high-quality, affordable medicines. Operating in over 70 markets worldwide, the company has a strong presence in Central, Eastern, and Southeastern Europe, with manufacturing facilities in Slovenia, Russia, Poland, Germany, Croatia, and China. In recent years, the company has shown robust financial performance.

Labor relations within the company are well-structured and collaborative. The workforce is diverse, with employees from various countries and backgrounds. The company emphasizes worker development, offering numerous training programs and career advancement opportunities. It also prioritizes worker well-being, providing competitive salaries, additional pension insurance, accident insurance, and various health and wellness programs. The company operates with a high level of unionization, and labor relations are managed through effective works councils and worker representation at the board level. This structure facilitates direct worker participation, ensuring that employee concerns are addressed, and their rights are protected. Regular communication with employees through various channels promotes transparency and collaboration.

Despite these positive aspects, the company faces challenges such as high turnover rates and the need for continuous investment in employee training and development. Management is committed to addressing these issues by fostering a supportive work environment and encouraging innovation and employee engagement.

The company has made significant strides in developing direct employee participation. Employees are now more vocal about their satisfaction and suggestions for organizational improvements. This shift has been facilitated by the Workers' Council, which encourages employees to address issues with their supervisors first and then escalate unresolved matters to the council. This structured approach has led to continuous improvements in both direct and indirect participation. The effectiveness of direct participation largely depends on the leadership style of supervisors. Empathetic and engaged leaders who listen to their employees tend to foster better participation and improvements in work processes.

The unions play a pivotal role in representing employees' interests, particularly concerning wages and working conditions. The company has two unions, each with its own focus but working together to protect employees' rights. They have successfully negotiated favorable terms, including annual bonuses and performance-based rewards. However, recent changes in government tax policies have negatively impacted employees' net income, causing some dissatisfaction.

The HR department underscores the importance of respectful and open communication. Regular meetings with employee representatives address various issues, from organizational changes to daily operational concerns. The company has never resorted to layoffs, even during program discontinuations, reflecting a strong commitment to job security.

Innovation is encouraged through a well-established system that allows employees to propose improvements. These suggestions are evaluated, and successful ideas are rewarded, fostering a culture of continuous improvement. Annual events celebrate the best proposals, reinforcing the value of employee contributions. Employee satisfaction is regularly measured through surveys,

helping to identify areas for improvement. The company uses multiple communication channels to ensure transparency and responsiveness, leading to high levels of employee engagement and low turnover rates.

In conclusion, the company's approach to direct employee participation is characterized by structured communication, strong leadership support, and a commitment to continuous improvement. The collaborative efforts of the Workers' Council, unions, and management have created a positive work environment where employees feel valued and heard. This has resulted in high levels of job satisfaction, innovation, and organizational stability.

<b>Company characteristics</b>	Slovenian pharmaceutical company operating in over 70 markets worldwide, with manufacturing facilities in Slovenia, Russia, Poland, Germany, Croatia, and China. In the first half of 2024, generated revenue of €985.4 million (7% increase year-on-year) and a net profit of €221.6 million (30% increase from the previous year).
	Diverse range including prescription pharmaceuticals, non-prescription products, and animal health products.
<b>Industrial relations</b>	High level of unionization.
	Trade unions, works council and worker representation at the board level.
	Collective agreement at the company level.
<b>Direct worker participation</b>	The Works Council encourages employees to address issues with supervisors first, then escalate unresolved matters to the council. Regular meetings with employee representatives and multiple communication channels to ensure transparency and responsiveness.
	Employees can propose ideas for improvements, which are evaluated and rewarded if implemented. The system is inclusive, allowing anyone to submit ideas.
<b>The role of industrial relations in direct worker participation</b>	Collaboration: Strong collaboration between Workers' Council, unions, and management. Clear agreements delineate roles and responsibilities.
	Unions play a pivotal role in representing employees' interests, particularly concerning wages and working conditions.
	Engagement Initiatives: Annual events to celebrate the best proposals and various initiatives to foster employee engagement. Challenges: Recent changes in government tax policies have negatively impacted employees' net income, causing some dissatisfaction.
<b>Difficulties</b>	Turnover: Comparable turnover rates to other companies in the region. Economic Pressure: Inflation has eroded wages, making it difficult for employees to manage on starting salaries despite recent increases.
<b>Impacts</b>	On Workers: Conditions and well-being affected by economic pressure and generational differences in attitudes towards work. On the Company: Performance impacted by the need for continuous investment in employee training and development. On Innovation: Efforts to engage employees and encourage innovation are ongoing, with a well-established system for proposing improvements.

<b>Future prospects</b>	Sustainability: The company's approach to direct employee participation is characterized by structured communication, strong leadership support, and a commitment to continuous improvement. The future development of direct employee participation depends on maintaining this balance.
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## 5.2. Public sector or advanced tertiary sector

The public sector in Slovenia encompasses a wide range of activities, making it practically impossible to provide a unified analysis. In addition to the state administration, the public sector in Slovenia includes activities such as education (including higher education), healthcare, social care, the military, police, firefighting, and other socially important activities. All employees in the public sector are public servants, which means they are all subject to a unified salary system. Furthermore, all public servants are covered by at least one collective agreement. Typically, in addition to the general Collective Agreement for the Public Sector, there is also a sectoral or professional agreement, resulting in 100% coverage by collective agreements in the public sector.

Unionization is higher in the public sector compared to the private sector. However, due to the lack of official data, it is difficult to specify the exact rate of unionization. Nevertheless, unions are numerous and diverse; according to the latest available data, there are over 40 representative unions, which complicates social dialogue. Works councils are not present in the public sector, as explained in point four of this report, except for the organization presented as case study four.

In general, it can be said that there is significant room for establishing, strengthening, and developing direct worker participation in the public sector. However, this has not yet become a priority for either the government or the Ministry of Public Administration, which, as the umbrella ministry, is responsible for the development of human resources in public administration.

### 5.2.1. Case study 1

#### **About the organization**

The Retirement Home in this case study is a well-regarded institution dedicated to providing care and support for elderly individuals over the age of 65. The facility offers a range of services designed to meet the diverse needs of its residents, ensuring they receive comprehensive care in a supportive environment.

The primary services provided by the retirement home include residential care, nursing care, and various social and recreational activities. Residents are encouraged to participate in these activities to maintain their physical and mental well-being. The home also offers home care services and social services to support elderly individuals who prefer to stay in their own homes but require some assistance with daily activities. The retirement home is part of the public sector, which means it must adhere to standards set by legislation. Additionally, the employees are public servants. Funding for its operations comes from both the state and the residents themselves.

The retirement home is committed to creating a warm and welcoming atmosphere for its residents. This is achieved through the dedication of its staff, who are always ready to engage in conversations and provide support. The staff's approach is guided by the core values of responsibility, knowledge

and competence, empathy, reliability, dedication, trust, and social responsibility. These values are reflected in their daily interactions with residents and their families.

The facility employs a significant number of staff members, including healthcare professionals, caregivers, administrative personnel, and support staff. The exact number of employees can vary, but the team is structured to ensure that all aspects of resident care and facility operations are managed efficiently. The staff is well-trained and participates in ongoing professional development to stay updated on best practices in elderly care.

The retirement home places a strong emphasis on continuous improvement and innovation in its services. This includes regular assessments of resident needs and feedback to enhance the quality of care provided. The home also collaborates with various organizations and participates in community projects to promote social engagement and support for the elderly. Overall, the retirement home provides high-quality care and support for its residents. The facility's comprehensive services, compassionate staff, and commitment to continuous improvement make it a leading institution in elderly care in Slovenia.

Two interviews were conducted at the retirement home. The first was with the director of the organization, who is responsible for overall operations, and the second was with an employee who represents the staff on the institution's council, the highest decision-making body. Unfortunately, a third interview with the union representative could not be conducted due to her being on long-term sick leave. Nevertheless, both interviews were very thorough and provided insight into the institution's operations from the perspective of direct worker participation.

### ***Interviewees***

The worker representative is a university-educated social worker who has been employed at the retirement home for seven years. Recently, she became a member of the institution's council, stepping in as a substitute when a colleague left. In her role, she also serves as the secretary for the council meetings. Although she is not a member of the union, she actively participates in discussions and decision-making processes. Her influence is most notable during voting and discussions, where she can present various perspectives on issues. The council, which includes two worker representatives among its eight members, values professional arguments and is open to diverse viewpoints. The council members, being experts themselves, make decisions collectively and have not overridden the worker representatives' opinions. This collaborative approach is attributed to the leadership's openness and the good relationships fostered by the director.

As a social worker, she is a key point of contact for many people who are unsure where to turn. While workers typically go through their supervisors, they can approach her directly if needed, and she would raise their concerns at the council meetings. Operational issues are usually resolved within the institution, but any significant initiatives would be brought to the council. The main concerns revolve around salaries and staffing levels, which are frequently discussed and explained as being dependent on state funding.

The director began his five-year term after serving as the assistant director for a year and a half. With seven years of experience in the organization, he has witnessed numerous changes, including societal shifts, the COVID-19 pandemic, and various systemic, organizational, staffing, and legislative changes. His extensive experience equips him to manage the current demands of the institution effectively.

### ***Labor relations***

The worker representative observed significant changes in the values and attitudes of the workforce. She noted that the current generation places different values on work and hierarchy compared to the past. Previously, employees were grateful simply to have a job, but now, with a shortage of staff, workers are more likely to leverage their position to negotiate better terms for themselves. This shift has led to more direct, sometimes aggressive communication, with employees demanding their rights or threatening to leave or take sick leave if their demands are not met. This trend of absenteeism has become a notable issue, particularly in the public sector.

The director, who began his five-year term after serving as the assistant director for a year and a half, emphasized the importance of leadership experience in navigating the current challenges. He highlighted the institution's strong team of leaders and professional staff, who are capable of addressing the various issues they face. The director's philosophy is to view problems as challenges to be overcome, and he aims to establish the retirement home as a reference point for other institutions. The home is set to participate in an international conference in Warsaw next year to present the implementation of a model in the public sector, showcasing their strengths in quality and employee-friendly practices.

The director acknowledged the systemic issues, such as insufficient capacity and financial constraints, which are exacerbated by the upcoming implementation of long-term care requirements. However, he believes the institution has an advantage as they are already practicing many of these requirements.

Both the worker representative and the director discussed the generational shift within the workforce. The director noted that the incoming generation has a different perception and way of working compared to their predecessors. Bridging the gap between younger and older employees, who may lack professional experience, is a significant challenge. The director emphasized the importance of transferring knowledge from retiring employees to the younger generation and ensuring that all processes are conducted professionally and legally. He also highlighted the need for continuous training and development to keep up with the evolving demands of the job.

The director stressed the importance of responsibility at all levels, from the director to department heads, in managing the workforce effectively. He pointed out that professional mistakes in their field can have severe consequences, making it crucial to maintain high standards and make informed decisions. The institution is currently in crisis management mode, dealing with daily challenges and making critical decisions to avoid mistakes, such as closing capacities due to staff shortages.

Overall, the interviews revealed a complex and dynamic environment at the retirement home, with both the worker representative and the director providing valuable insights into the challenges and strategies for managing the institution effectively.

### ***Direct employee participation and the interplay***

The worker representative highlighted that the fear of authority, which was more prevalent in the past, has diminished. Employees now feel more confident in expressing their opinions and making requests. This shift is seen as positive, as it indicates that employees feel they can approach management without hesitation. The institution promotes accessibility and encourages open

communication, which is facilitated through various initiatives such as health promotion activities, educational opportunities, and team-building events organized by the director. These activities help create a relaxed atmosphere where employees feel valued and heard.

The worker representative noted that while she cannot comment extensively on the role of immediate supervisors, she is aware that employees do approach their supervisors with concerns. The leadership style at the institution is informal, and there are semi-formalized complaint procedures. However, the ability for employees to voice their concerns informally helps reduce their stress and makes them feel heard and valued. This sense of satisfaction is crucial, as it ensures that employees do not feel like just another number but rather as important members of the team.

From an economic and business perspective, the worker representative mentioned that employee satisfaction has tangible benefits. When employees are happy, it reflects externally, attracting new staff through word-of-mouth recommendations. This informal recruitment process has proven effective, as satisfied employees often encourage others to apply for open positions.

Regarding the union, the worker representative described its role as somewhat “connecting”, with the union representative actively participating in meetings related to employee issues. Although the union representative's activity level varies, she is seen as a crucial link between the employees and management, ensuring that employees' rights are upheld.

The director emphasized the importance of fostering a culture of direct participation and openness. He encourages employees at all levels to voice their concerns and suggest solutions. This approach is based on the belief that the best solutions often come from those directly involved in the work, including cleaning staff who might have practical insights into operational efficiencies. The director aims to create an environment where employees do not work in fear but feel comfortable admitting mistakes and discussing problems openly.

The director also highlighted the formal and informal mechanisms in place to support direct participation. Formally, the institution has a quality management system, regular team meetings, and operational meetings every two weeks to discuss observations and agree on actions. Informally, the director fosters a relaxed atmosphere by engaging in casual conversations with staff over coffee, promoting a positive work environment.

The director stressed the importance of empowering department heads to provide direct feedback and resolve issues at their level. This empowerment is crucial for the smooth functioning of the institution, as it ensures that problems are addressed promptly and effectively. The director also pointed out that professional expertise should guide professional decisions, while management decisions should be handled by those with the appropriate managerial skills.

The union plays a significant role in the institution, with an experienced union president who has been active for 30 years. The union ensures that employees' rights are protected according to the law and provides a channel for employees to raise concerns and seek information.

In terms of direct participation, the director mentioned several initiatives, such as attending nursing reports to provide direct answers to staff questions and conducting satisfaction surveys to gather employee feedback. The institution also uses suggestion boxes for anonymous feedback and conducts organizational diagnostics to identify informal leaders and address any negative influences within the team.

Overall, the interviews revealed a strong commitment to direct employee participation at the retirement home, with both the worker representative and the director emphasizing the importance of open communication, employee empowerment, and continuous improvement.

### ***Future development***

The worker representative expressed satisfaction with the current state of communication, noting that employees can easily reach their superiors, usually on the same day or within a couple of days. However, she believes there is always room for improvement, particularly in making communication even more effective and fostering a stronger sense of community. She suggested organizing more activities like picnics and sports events to enhance team bonding. While participation in such activities varies, she noted that fostering a sense of social belonging is crucial, especially as the sense of gratitude for having a job has diminished over time. The younger generation tends to view these events as obligations rather than opportunities for building relationships, which reflects a shift in values and internal motivation.

Looking ahead, the worker representative anticipates that the upcoming generations will be more vocal about their opinions. It will be essential to give them a voice and pay close attention to their relationships, particularly in the context of working with the elderly. She observed that younger employees often have a different attitude towards older residents compared to their older colleagues. The role of the union will also be significant, depending on the motivation and goals of its representatives. An active and communicative union representative can ensure that the union's role remains relevant and effective.

The director emphasized the need for a new way of thinking and operating, acknowledging the generational changes that have taken place. He believes that the future will require more collaborative decision-making, moving away from a "one-man band" approach. Employees will be able to contribute significantly if given the opportunity. Listening to employees and extracting the best ideas from them will continue to be important.

The director also highlighted the importance of creating an environment where employees feel comfortable sharing their ideas and concerns. Encouraging open communication and fostering a positive work atmosphere are key priorities. The director aims to maintain a relaxed and supportive environment, where employees are not afraid to admit mistakes and discuss problems openly.

In terms of future development, the director plans to continue promoting health and wellness activities, such as hiking trips, to build camaraderie among employees from different departments. He also stressed the importance of clear communication about expectations and responsibilities. The director recognizes that effective leadership and management skills are crucial, especially in crisis management situations. He believes that a collaborative approach, where employees at all levels are empowered to contribute, will be essential for the institution's success.

Overall, the interviews revealed a shared vision for the future development of the retirement home, with a focus on improving communication, fostering employee engagement, and adapting to generational changes. Both the worker representative and the director emphasized the importance of creating a supportive and inclusive environment where employees feel valued and heard.

### ***Summary***

The Retirement Home in this case study is a well-regarded institution dedicated to providing comprehensive care and support for elderly individuals over the age of 65. It offers a range of services, including residential care, nursing care, and various social and recreational activities. Additionally, the home provides home care services for those who prefer to stay in their own homes but need assistance with daily activities. As part of the public sector, the retirement home adheres to legislative standards, and its employees are public servants. Funding comes from both the state and the residents.

The facility emphasizes creating a warm and welcoming atmosphere, guided by core values such as responsibility, empathy, and social responsibility. The staff, including healthcare professionals, caregivers, administrative personnel, and support staff, are well-trained and participate in ongoing professional development. The home is committed to continuous improvement and innovation, regularly assessing resident needs and collaborating with various organizations to enhance the quality of care.

Two interviews were conducted: one with the director and one with a worker representative. The director oversees overall operations, while the worker representative, a social worker with seven years of experience, serves on the institution's council and acts as the secretary for council meetings.

The worker representative noted significant changes in workforce values and attitudes, with the current generation being more assertive in negotiating terms and less deferential to authority. This shift has led to more direct and sometimes aggressive communication. The representative also highlighted the absence of a specific collective agreement for the institution, relying instead on general agreements for the public sector and healthcare.

The director emphasized the importance of leadership experience and a strong team in navigating challenges. He aims to position the retirement home as a reference point for other institutions and highlighted the need for continuous training and development to bridge the generational gap within the workforce.

Both the worker representative and the director stressed the importance of open communication and employee empowerment. The institution promotes accessibility and encourages employees to voice their concerns and suggest solutions. Formal mechanisms, such as a quality management system and regular meetings, support this culture of participation. Informally, the director fosters a relaxed atmosphere through casual interactions and team-building activities.

The union plays a significant role, with an experienced president ensuring that employees' rights are protected. The director also mentioned initiatives like satisfaction surveys and suggestion boxes to gather employee feedback and identify areas for improvement.

Looking ahead, the worker representative anticipates that younger generations will be more vocal about their opinions, necessitating a focus on communication and relationship-building. The director emphasized the need for collaborative decision-making and creating an environment where employees feel comfortable sharing their ideas. He plans to continue promoting health and wellness activities and clear communication about expectations and responsibilities.

Overall, the interviews revealed a shared vision for the future development of the retirement home, with a focus on improving communication, fostering employee engagement, and adapting to generational changes. Both the worker representative and the director emphasized the importance of creating a supportive and inclusive environment where employees feel valued and heard.

<b>Company characteristics</b>	A well-regarded retirement home providing care and support for elderly individuals over the age of 65. Part of the public sector, adhering to legislative standards, with employees as public servants. Funding comes from both the state and residents.
	Residential care, nursing care, social and recreational activities, home care services, and social services.
<b>Industrial relations</b>	High level of unionization.
	Trade union and workers representatives in the supervisory board
	Collective agreement at the sectoral level.
<b>Direct worker participation</b>	Informal leadership style with moderate formalized complaint procedures. Employees feel confident in expressing opinions and making requests.
	Union representative actively participates in meetings related to employee issues, ensuring employees' rights are upheld.
<b>The role of industrial relations in direct worker participation</b>	Collaboration: Strong team of leaders and professional staff capable of addressing various issues. Emphasis on continuous training and development.
	Support: Union plays a significant role in protecting employees' rights and providing a channel for raising concerns.
	Engagement Initiatives: Health promotion activities, educational opportunities, and team-building events to create a relaxed atmosphere. Challenges: Generational differences in attitudes towards work and participation in activities.
<b>Difficulties</b>	Absenteeism: Notable issue. Staff Shortages: Ongoing challenge, requiring crisis management and critical decision-making.
<b>Impacts</b>	On Workers: Conditions and well-being affected by absenteeism and generational differences in attitudes towards work. On the Organization: Performance impacted by staff shortages and the need for continuous training and development. On Innovation: Efforts to engage employees and encourage innovation are ongoing, with a focus on open communication and employee empowerment.
<b>Future prospects</b>	Sustainability: Focus on improving communication, fostering employee engagement, and adapting to generational changes. Emphasis on collaborative decision-making and creating a supportive environment.

### 5.2.2. Case study 2

#### **About the organization**

The second case study from the public sector is Slovenia's national public broadcasting organization, providing a wide range of radio, television, and multimedia services. Established in 1928 for radio

and 1958 for television, it operates under a specific legal act, ensuring it meets the public service obligations set by legislation.

Headquartered in Ljubljana, the organization has regional broadcasting centers in Koper and Maribor, and correspondents throughout Slovenia, Europe, and globally. The organization employs more than 2000 workers, including journalists, technical staff, and administrative personnel. This diverse team is dedicated to delivering high-quality content across various platforms. It operates three national and four regional radio stations, which are also available online. The television division, known broadcasts two national TV programs, two regional TV programs, and specialized content for the Italian and Hungarian national communities in Slovenia. Additionally, it produces radio and television programs for the Romany ethnic community, Slovenian ethnic communities in neighboring countries, and Slovenian expatriates and migrant workers.

A significant portion of the organization funding, approximately 73 %, comes from television license fees. The organization also receives funding from the state and other sources to support its operations. It is committed to maintaining high standards of quality and innovation, continuously upgrading its technology and expanding its multimedia offerings. This includes the multimedia center, which produces teletext, websites, mobile portals, and info-channels. The organization is also home to the symphony orchestra, the Slovenia Big Band, and various choirs, contributing to the cultural landscape of Slovenia. The organization plays a crucial role in promoting Slovenian culture, language, and heritage through its diverse programming.

The organization has an active presence of trade unions and works councils, which play a crucial role in representing the interests of employees and ensuring their rights are protected. The primary trade unions include the Slovene Association of Journalists and the Trade Union of Journalists of Slovenia. These unions are vocal in advocating for the rights of journalists and other staff members, particularly in response to changes in programming and management decisions. For instance, they have expressed concerns over proposed modifications to news programming that could impact the quality of public service reporting. The unions argue that such changes are unrealistic and could be detrimental to the broadcaster's mission.

In addition to trade unions, the organization has a works council that facilitates worker participation in decision-making processes. The works council is involved in various aspects of organizational governance, ensuring that workers have a voice in matters that affect their work environment and conditions. This body works alongside the management to address issues such as workplace policies, employee welfare, and operational changes. Additionally, the presence of workers representatives in the Program Council of the organization is mandated by the law and institution's statute. These representatives are involved in discussions and decisions related to programming and other critical areas, ensuring that the perspectives of the workforce are integrated into the broader organizational strategy. Overall, the presence of workers' representatives underscores the importance of worker representation and participation in maintaining a fair and supportive work environment. These entities help to balance the interests of the staff with the operational needs of the organization, contributing to a more collaborative and transparent workplace. There are four collective agreements applicable to the organization: the Public Sector Agreement, the Non-Economic Activities Agreement, the Cultural Activities Agreement, and a local collective agreement that applies exclusively to the organization.

In summary, the organization is a cornerstone of Slovenian public media, providing comprehensive and diverse content to meet the needs of its audience. Its commitment to quality, innovation, and cultural promotion ensures that it remains a vital institution in Slovenia's media landscape.

### ***Interviewees***

The interviews with the President of the Works Council, the President of the Trade Union, and the HR Manager at the organization provide a comprehensive view of the institution's internal dynamics and labor relations.

The President of the Works Council has been with the organization since 1995, with a brief hiatus. Initially uninterested in labor participation, her role as Ombudswoman for viewers' and listeners' rights between 2017 and 2012 exposed her to institutional issues, leading her to join the journalists' union and run for the Works Council in 2022. She emphasizes the importance of collective action in addressing institutional irregularities. The President of the Trade Union, a journalist with 25 years of experience, leads the coordination of two journalists' unions. She has been active in union activities for many years, organizing freelance journalists and negotiating with management and the government. Union activities are voluntary, with members balancing their professional duties and union responsibilities. The HR Manager, with 32 years in the organization, has held various roles, including TV producer and assistant director. His extensive experience in leadership positions helps him manage the institution's processes effectively.

### ***Labor relations***

The Vice president of the Works Council highlighted the presence of three representative unions at the organization: the journalists' union, a more technical union, and another union. These unions have negotiated with management to establish agreements that define the operations of the Works Council. However, conflicts have arisen, particularly regarding the representativeness of these unions. The main division occurred over the amendment to the relevant legal act, with the journalists' union supporting it while the other two unions sided with management, creating a confusing situation. This division has affected the functioning of the Works Council, as most members were elected for opposing the previous management's policies. Recently, there has been a slight improvement in cooperation among the unions. The Works Council also deals with issues like mobbing and legal matters, and the nature of their work, being a media institution with many creative professions, fosters a progressive environment with significant worker self-management.

The Vice president of the Trade Union described the labor relations as catastrophic, with increasing employee dissatisfaction due to rising living costs, inflation, and stagnant wages. Since the financial crisis of 2011, there has been a freeze on hiring and wage increases, and training and education were among the first casualties of austerity measures. Many employees earn below the minimum wage, and the workforce is ageing, with an average age of 48. There are limited opportunities for young people and students, who often work under precarious conditions. The union provides legal protection and support for its members, but students and freelancers lack such protections.

The HR Manager noted that the workforce is aging due to hiring restrictions, and the lack of a steady influx of younger employees is a significant issue. The organizational climate has been deteriorating, partly because the organization is part of the public sector, which limits its ability to operate like a private company. In other European countries, public service broadcasters are often state-owned

companies that can operate more efficiently and motivate their staff better than public sector organizations.

Overall, the interviews reveal significant challenges in labor relations at the organization, including conflicts among unions, employee dissatisfaction, and an aging workforce. The institution's status as a public sector entity further complicates its ability to address these issues effectively. The analysis highlights the need for improved cooperation among unions, better management of employee expectations, and strategic initiatives to attract and retain younger talent. Addressing these challenges will be crucial for the organization to maintain a motivated and effective workforce, capable of meeting the demands of a modern public broadcasting service.

### ***Direct employee participation and the interplay***

The Vice president of the Works Council emphasized that employee participation at the organization is highly focused on the interests of the employees, who feel empowered to advocate for their rights. The unions play a crucial role in negotiating systematization, improving working conditions, handling legal matters, and ensuring the payment of overtime. The Works Council leverages all available mechanisms provided by the Workers Participation in Management Act and the participatory agreement to address issues comprehensively. They interpret these provisions broadly to benefit employees, particularly concerning working conditions and health and safety measures.

Direct employee participation is not systematically managed but is facilitated through worker assemblies and direct interactions. The recent amendment to the legal relevant act introduced a significant change by increasing the number of employee representatives on the program council, the supervisory body, from five to six out of seventeen members. This council now oversees both programming and business matters, enhancing employee influence in decision-making processes.

The President of the Trade Union outlined the union's role in addressing employee issues, either directly or by representing members in negotiations with management. During strikes, the union has represented broader employee interests, including content-related pressures and censorship demands. The union also organizes meetings between employees and their supervisors to resolve issues and provides legal opinions to the Works Council.

The HR Manager described the structure of employee participation, which includes three unions: the journalists' union, the union of cultural and artistic creators, and the broadcasting union for technical staff. The Works Council operates under a participatory agreement, holding monthly meetings with management representatives to discuss various topics. The unions are autonomous but are invited to participate in these meetings. The HR Manager noted that while the participatory system encourages dialogue, it can also hinder necessary organizational changes due to the unions' ability to block management decisions. Despite these challenges, the HR Manager acknowledged the benefits of this system, as it forces both management and employees to engage in dialogue. Employees have the right to receive answers to any questions regarding their status or work processes, either through their direct supervisors or the Works Council. This system ensures that employee concerns are addressed effectively. The HR Manager also highlighted the lack of formal innovation committees but mentioned the annual RTV awards for achievements, which recognize outstanding contributions from employees. These awards, which include financial incentives, help motivate staff, particularly those in creative roles.

The Vice president of the Works Council highlighted the extensive opportunities for employee participation in decision-making processes at the organization. Employees can propose ideas to their supervisors, and journalists have significant influence through editorial boards as outlined in the statute. However, the effectiveness of these participatory mechanisms depends on the persistence and courage of the groups involved. Fear of retaliation and the lengthy legal processes often deter employees from fully exercising their rights. The council also noted that while the institution has the formal structures to support broad participation, the sheer size and diversity of the workforce can hinder unified action. There is a tension between the need for hierarchical management to coordinate 2,000 employees and the desire for more inclusive decision-making processes.

### ***Future development***

The President of the Trade Union discussed the impact of recent political pressures and the prolonged strike, which led to significant staff turnover and a loss of experienced journalists and editors. The union has been active in providing support and legal assistance to its members, increasing its membership by over 50 % in the past three years. The union's role in direct communication with management and participation in public sector reforms has been crucial. However, the union faces challenges in balancing its advocacy role with the need for effective communication and collaboration with the Works Council.

The HR Manager expressed concerns about the recent legislative changes that have increased the number of employee representatives on the program council. This shift, while intended to enhance employee participation, complicates decision-making processes and poses challenges for implementing significant organizational changes. The HR Manager emphasized that the current structure, with a high proportion of employee representatives, is unique compared to other European public broadcasters and may hinder necessary reforms due to financial constraints.

Overall, the interviews reveal a complex landscape for future development at the organization Slovenija. While there are robust mechanisms for employee participation, the institution faces significant challenges in balancing these with the need for effective management and organizational flexibility. The aging workforce and limited opportunities for younger employees further complicate the situation. Strategic efforts to enhance communication, foster collaboration, and adapt to legislative changes will be crucial for the institution's future success.

### ***Summary***

This case study focuses on Slovenia's national public broadcasting organization, which provides a wide range of radio, television, and multimedia services. Established in 1928 for radio and 1958 for television, the organization operates under a specific legal act to meet public service obligations. Headquartered in Ljubljana, it has regional centres in Koper and Maribor, and correspondents globally. The organization employs over 2,000 workers, including journalists, technical staff, and administrative personnel.

The organization operates three national and four regional radio stations, and two national and two regional TV programs, including specialized content for various ethnic communities. Approximately 73 % of its funding comes from television license fees, with additional support from the state and other sources. The organization is committed to quality and innovation, continuously upgrading its

technology and expanding its multimedia offerings. It also contributes to the cultural landscape with its symphony orchestra, big band, and choirs.

Trade unions and works councils play a crucial role in representing employees and ensuring their rights. The primary unions include the Slovene Association of Journalists and the Trade Union of Journalists of Slovenia. These unions advocate for staff rights, particularly in response to programming and management changes. The works council facilitates worker participation in decision-making, ensuring that employee perspectives are integrated into organizational strategy.

The interviews with the Vice president of the Works Council, the President of the Trade Union, and the HR Manager provide insights into the institution's internal dynamics and labour relations. The President of the Works Council, with the organization since 1995, emphasized the importance of collective action in addressing institutional issues. The President of the Trade Union, a journalist with 25 years of experience, leads the coordination of two journalists' unions and has been active in union activities for many years. The HR Manager, with 32 years at the organization, has held various roles and brings extensive leadership experience.

Labor relations face significant challenges, including conflicts among unions, employee dissatisfaction due to rising living costs and stagnant wages, and an aging workforce. The institution's status as a public sector entity complicates its ability to address these issues effectively. Improved cooperation among unions, better management of employee expectations, and strategic initiatives to attract and retain younger talent are needed.

Direct employee participation is facilitated through worker assemblies and direct interactions. Recent legislative changes increased the number of employee representatives on the program council, enhancing employee influence in decision-making. However, the effectiveness of these mechanisms depends on the persistence and courage of the groups involved. The HR Manager noted that while the participatory system encourages dialogue, it can also hinder necessary organizational changes.

The future development of the organization involves balancing robust employee participation with effective management and organizational flexibility. The aging workforce and limited opportunities for younger employees further complicate the situation. Strategic efforts to enhance communication, foster collaboration, and adapt to legislative changes will be crucial for the institution's future success.

<b>Company characteristics</b>	Slovenia's national public broadcasting organization, providing radio, television, and multimedia services. Established in 1928 for radio and 1958 for television, operating under a specific legal act to meet public service obligations.
	Located in Ljubljana, with regional centers in Koper and Maribor, and correspondents globally.
<b>Industrial relations</b>	High level of unionization.
	Active trade unions and works councils representing employee interests. Primary unions include the Slovene Association of Journalists and the Trade Union of Journalists of Slovenia. Also, workers representatives in the supervisory board

	Collective agreement at the sectoral and organizational level.
<b>Direct worker participation</b>	<p>Structure: Worker assemblies and direct interactions facilitate participation. Recent legislative changes increased employee representatives on the program council.</p> <p>Communication: Monthly meetings with management representatives to discuss various topics. Employees have the right to receive answers regarding their status or work processes.</p> <p>Union Role: Unions negotiate working conditions, handle legal matters, and ensure payment of overtime. They also address content-related pressures and censorship demands.</p>
<b>The role of industrial relations in direct worker participation</b>	<p>Collaboration: Works council and unions work alongside management to address workplace policies, employee welfare, and operational changes.</p> <p>Support: Unions provide legal protection and support for members, particularly students and freelancers who lack such protections.</p> <p>Engagement Initiatives: Annual RTV awards for achievements, recognizing outstanding contributions from employees. Financial incentives included.</p> <p>Challenges: Fear of retaliation and lengthy legal processes deter full exercise of participatory rights.</p>
<b>Difficulties</b>	<p>Employee Dissatisfaction: Due to rising living costs, inflation, and stagnant wages.</p> <p>Aging Workforce: Limited opportunities for younger employees and students, leading to precarious working conditions.</p>
<b>Impacts</b>	<p>On Workers: Conditions and well-being affected by economic pressures and an aging workforce.</p> <p>On the Organization: Performance impacted by conflicts among unions and the need for strategic initiatives to attract and retain younger talent.</p> <p>On Innovation: Efforts to engage employees and encourage innovation are ongoing, with a focus on recognizing outstanding contributions.</p>
<b>Future prospects</b>	Sustainability: Balancing robust employee participation with effective management and organizational flexibility. Strategic efforts to enhance communication, foster collaboration, and adapt to legislative changes will be crucial for future success.

### 5.3. Discussion of the case studies

The analysis of the four case studies reveals significant insights into the implications of direct and indirect employee participation, sectoral differences, and future prospects. The case studies span the manufacturing sector, specifically the rubber and chemical industry and the pharmaceutical sector, as well as the public sector, including a retirement home and a national public broadcasting organization. Each case study provides a unique perspective on how employee participation is implemented and its impact on organizational performance and employee satisfaction.

In the manufacturing sector, the rubber and chemical industry in Slovenia is a leading contributor to the national economy, characterized by high productivity and a strong export orientation. The

workforce is highly skilled, and industrial relations are well-developed, although there is no valid collective agreement at the sectoral level. Direct worker participation in this industry is less developed compared to other forms of participation. However, some companies are implementing practices such as regular meetings between workers and management, employee suggestion schemes, and joint decision-making committees. These practices contribute to a more inclusive work environment and improve working conditions. The industry faces several challenges, including the need for continuous innovation, sustainable development, and reducing environmental impact. Improving direct worker participation and strengthening the role of workers' councils are crucial for addressing these challenges.

The pharmaceutical sector in Slovenia is another significant contributor to the national economy, with a strong export orientation and a highly skilled workforce. The sector is characterized by a high level of unionization and comprehensive collective bargaining agreements. Direct worker participation is evolving, with companies increasingly adopting practices that involve workers in decision-making processes. This includes regular consultations between management and workers, suggestion schemes, and joint committees. These practices aim to enhance employee engagement and improve organizational performance. The pharmaceutical sector faces challenges such as the need for continuous innovation, regulatory changes, and maintaining competitiveness in a global market. Strengthening direct worker participation and enhancing industrial relations will be crucial for the sector's continued growth and success.

The first case study in the manufacturing sector focuses on a leading tire manufacturer in Slovenia, which is part of a global corporation. The company has invested significantly in its Slovenian facility, focusing on producing high-quality, premium-segment tires. Despite facing economic challenges and a decline in demand for certain products, the company has continued to invest in its production capabilities and workforce. The company employs around 1,800 workers and emphasizes employee development and well-being. Labor relations are characterized by a high level of unionization, although there are no binding collective agreements. The company maintains a collaborative relationship with its workers, facilitated by effective works councils and worker representation at the board level. This structure supports direct worker participation, addressing employee concerns and ensuring their rights and interests are represented. However, direct employee participation in decision-making is limited, with a hierarchical structure where workers report to shift supervisors. The company has an innovation system that allows employees to submit ideas, which are evaluated and rewarded if they result in savings or improvements. Financial incentives for innovation are minimal, leading to low participation. The company places a strong emphasis on workplace safety and communication, using various channels to inform employees. Efforts to engage employees and encourage innovation include visits to successful Slovenian companies. Despite these efforts, repeated unaddressed issues and budget constraints reduce employee motivation. The future development of direct employee participation largely depends on changes in market conditions and management support.

The second case study in the manufacturing sector examines a Slovenian pharmaceutical company known for its extensive range of high-quality, affordable medicines. The company operates in over 70 markets worldwide and has multiple manufacturing locations. Labor relations within the company are well-structured and collaborative, with a diverse workforce and a strong emphasis on worker development. The company operates with a high level of unionization, and labor relations are managed through effective works councils and worker representation at the board level. This structure facilitates direct worker participation, ensuring that employee concerns are addressed,

and their rights are protected. Despite the positive aspects, the company faces challenges such as high turnover rates and the need for continuous investment in employee training and development. The company has made significant strides in developing direct employee participation, with employees now more vocal about their satisfaction and suggestions for organizational improvements. This shift has been facilitated by the Workers' Council, which encourages employees to address issues with their supervisors first and then escalate unresolved matters to the council. The effectiveness of direct participation largely depends on the leadership style of supervisors. Empathetic and engaged leaders who listen to their employees tend to foster better participation and improvements in work processes. The unions play a pivotal role in representing employees' interests, particularly concerning wages and working conditions. The HR department underscores the importance of respectful and open communication, a longstanding tradition within the company. Innovation is encouraged through a well-established system that allows employees to propose improvements, which are evaluated and rewarded. Employee satisfaction is regularly measured through surveys, helping to identify areas for improvement. The company's approach to direct employee participation is characterized by structured communication, strong leadership support, and a commitment to continuous improvement.

In the public sector, the retirement home case study highlights the challenges and strategies for managing a complex and dynamic environment. The retirement home is dedicated to providing comprehensive care and support for elderly individuals, with a strong emphasis on creating a warm and welcoming atmosphere. The facility employs a significant number of staff members, including healthcare professionals, caregivers, administrative personnel, and support staff. The staff is well-trained and participates in ongoing professional development. The retirement home places a strong emphasis on continuous improvement and innovation in its services. The worker representative noted significant changes in workforce values and attitudes, with the current generation being more assertive in negotiating terms and less deferential to authority. This shift has led to more direct and sometimes aggressive communication. The director emphasized the importance of leadership experience and a strong team in navigating challenges. Both the worker representative and the director stressed the importance of open communication and employee empowerment. The institution promotes accessibility and encourages employees to voice their concerns and suggest solutions. Formal mechanisms, such as a quality management system and regular meetings, support this culture of participation. Informally, the director fosters a relaxed atmosphere through casual interactions and team-building activities. The union plays a significant role, with an experienced president ensuring that employees' rights are protected. Looking ahead, the worker representative anticipates that younger generations will be more vocal about their opinions, necessitating a focus on communication and relationship-building. The director emphasized the need for collaborative decision-making and creating an environment where employees feel comfortable sharing their ideas.

The second case study in the public sector focuses on Slovenia's national public broadcasting organization, which provides a wide range of radio, television, and multimedia services. The organization employs over 2,000 workers, including journalists, technical staff, and administrative personnel. The organization operates with a high level of unionization, and labor relations are managed through effective works councils and worker representation at the board level. The President of the Works Council highlighted the presence of three representative unions at the organization, which have negotiated with management to establish agreements that define the operations of the Works Council. However, conflicts have arisen, particularly regarding the representativeness of these unions. The President of the Trade Union described the labor relations

as catastrophic, with increasing employee dissatisfaction due to rising living costs, inflation, and stagnant wages. The HR Manager noted that the workforce is aging due to hiring restrictions, and the lack of a steady influx of younger employees is a significant issue. The organizational climate has been deteriorating, partly because the organization is part of the public sector, which limits its ability to operate like a private company. Direct employee participation is facilitated through worker assemblies and direct interactions. The recent amendment to the relevant legal act introduced a significant change by increasing the number of employee representatives on the program council, enhancing employee influence in decision-making processes. The HR Manager noted that while the participatory system encourages dialogue, it can also hinder necessary organizational changes. The future development of the organization involves balancing robust employee participation with effective management and organizational flexibility. The aging workforce and limited opportunities for younger employees further complicate the situation. Strategic efforts to enhance communication, foster collaboration, and adapt to legislative changes will be crucial for the institution's future success.

Across all four case studies, there is a clear recognition of the importance of employee participation, both direct and indirect. Whether through formal structures like works councils and unions or through more informal mechanisms like suggestion schemes and regular consultations, involving employees in decision-making processes is seen as crucial for improving organizational performance and employee satisfaction. Both sectors face challenges in implementing effective employee participation. In the private sector, hierarchical structures and limited financial incentives often hinder direct participation. In the public sector, bureaucratic constraints and financial limitations pose significant obstacles. Despite these challenges, there is a consistent effort to enhance participation through various initiatives.

Unions and works councils play a pivotal role in representing employees' interests in both sectors. They are involved in negotiating wages, working conditions, and other critical aspects of labor relations. Their presence ensures that employees have a structured platform to voice their concerns and contribute to organizational decisions. Effective communication and transparency are emphasized across all case studies. Regular meetings, surveys, and feedback mechanisms are used to keep employees informed and engaged. This approach helps build trust and fosters a collaborative work environment.

The sectoral variations in participation practices are evident. In the private sector, the manufacturing sector, particularly the rubber and chemical industry and the pharmaceutical sector, tends to have more structured direct participation practices. These include regular meetings, suggestion schemes, and innovation systems. However, the level of direct participation is often limited by hierarchical structures. In the public sector, such as the retirement home and the national public broadcasting organization, there is a higher reliance on indirect participation through unions and works councils. Direct participation is less formalized and often hindered by bureaucratic processes.

Unionization levels vary between the sectors. In the private sector, unionization levels vary, and there are often no binding collective agreements at the sectoral level. Companies may follow informal agreements or negotiate specific terms with unions. In contrast, the public sector has higher unionization and comprehensive coverage by collective agreements. This ensures that all employees are covered by standardized terms and conditions, providing a more uniform approach to labor relations.

The impact of organizational structure also differs between the sectors. Private sector companies, especially those that are part of global corporations, often have more flexibility in implementing innovative participation practices. However, they also face challenges related to maintaining competitiveness and adapting to market changes. Public sector organizations, on the other hand, are more constrained by legislative and bureaucratic requirements. This can limit their ability to implement flexible participation practices and respond quickly to employee needs.

The prospects for employee participation indicate a shift towards more inclusive and adaptive practices, with a growing emphasis on sustainable development and innovation. There is a noticeable trend of employees, particularly younger generations, becoming more vocal about their opinions and expectations. This shift necessitates a focus on enhancing communication and providing platforms for employees to express their views and contribute to decision-making processes.

Both sectors are increasingly focusing on sustainable development and innovation. This includes adopting environmentally friendly practices, investing in new technologies, and encouraging employee-driven innovation. Strengthening direct participation will be crucial in fostering a culture of continuous improvement and sustainability.

Organizations need to adapt to the changing values and expectations of a diverse workforce. This includes bridging the gap between older and younger employees, providing continuous training and development, and fostering a supportive and inclusive work environment. The future of employee participation lies in finding the right balance between direct and indirect participation. Organizations must create structures that allow for both immediate feedback and structured representation. This will involve enhancing the role of unions and works councils while also promoting direct engagement through digital platforms and feedback systems.

Effective leadership and management support are critical for the success of employee participation initiatives. Empathetic and engaged leaders who listen to their employees and foster a collaborative work environment will be essential in driving participation and achieving organizational goals.

The analysis of the four case studies highlights the importance of both direct and indirect employee participation in enhancing organizational performance and employee satisfaction. While there are commonalities in the recognition of participation's value and the challenges faced, sectoral differences in practices and structures are evident. The future prospects for employee participation indicate a shift towards more inclusive and adaptive practices, with a growing emphasis on sustainable development and innovation. Organizations must foster a supportive environment for both direct and indirect participation, with continuous improvement and innovation being essential for addressing future challenges and ensuring sustainable growth.

## 6. General conclusions and recommendations

This section synthesizes the findings from the analysis of direct worker participation in Slovenia, drawing on insights from four case studies and a review of national literature. The conclusions highlight the current state of direct worker participation, identify key challenges, and underscore the importance of effective communication and legal frameworks. Based on these findings, a set of

targeted recommendations is proposed to enhance direct worker participation across both the private and public sectors in Slovenia. These recommendations aim to foster a more inclusive and democratic workplace environment, improve organizational performance, and align with broader social justice goals.

The analysis reveals that direct worker participation in Slovenia is significantly less developed compared to indirect participation. This is evident from the sparse academic attention and the limited implementation of direct participation practices in both the private and public sectors. The focus has predominantly been on collective worker participation through works councils and unions. There are notable differences between the private and public sectors in terms of worker participation. In the private sector, particularly in the manufacturing and pharmaceutical industries, there are more structured practices for direct participation, such as regular meetings, suggestion schemes, and innovation systems. However, these practices are often limited by hierarchical structures and financial constraints. In the public sector, the absence of workers' councils and the lack of a specific legal framework for direct participation hinder the effective involvement of employees in decision-making processes.

Unions and works councils play a crucial role in facilitating worker participation in Slovenia. They are involved in negotiating wages, working conditions, and other critical aspects of labor relations. However, their focus tends to be more on collective rather than direct individual participation. This limits the opportunities for employees to engage directly with management on issues that affect their work. Both sectors face challenges in implementing effective direct worker participation. In the private sector, hierarchical structures and limited financial incentives often hinder direct participation. In the public sector, bureaucratic constraints and financial limitations pose significant obstacles. Additionally, the lack of a specific law for public institutions exacerbates these challenges, leaving a gap in the legal framework for public sector employee participation.

Effective communication and transparency are emphasized across all case studies. Regular meetings, surveys, and feedback mechanisms are used to keep employees informed and engaged. This approach helps build trust and fosters a collaborative work environment, which is essential for successful worker participation. The case studies demonstrate that direct worker participation can positively impact organizational performance. Companies that actively involve employees in decision-making processes tend to have higher levels of job satisfaction, lower turnover rates, and improved innovation. This is particularly evident in the manufacturing sector, where direct participation practices have led to better work organization and process improvements.

The Worker Participation in Management Act provides a legal basis for employee participation in Slovenia. However, its implementation is uneven, and there is a need for more robust enforcement mechanisms. The absence of a specific law for public institutions further complicates the situation, highlighting the need for legislative action to ensure that all employees can exercise their participation rights effectively.

Based on these findings, the following recommendations are proposed to enhance direct worker participation in Slovenia.

**Develop a Legal Framework for Public Sector Participation:** The Slovenian legislature should enact a law that provides a clear framework for employee participation in public institutions. This law should outline the rights and responsibilities of employees and management, establish mechanisms for representation and participation, and ensure that employees have a meaningful voice in the decision-making processes of their organizations. In the public sector, the situation is even more

pronounced. Workers' councils, which are common in many European countries as a means of ensuring worker representation and participation, are notably absent. This absence highlights the need for a more structured approach to fostering direct participation in Slovenia, particularly in public institutions. This would address the current gap in the legal framework and promote a more inclusive and democratic workplace environment in the public sector.

**Promote Direct Participation Practices:** Both private and public sector organizations should promote direct participation practices, such as regular meetings between employees and management, suggestion schemes, and joint decision-making committees. These practices can help create a more inclusive and participatory work environment. Organizations should also consider implementing digital platforms for feedback and communication to make participation more accessible and efficient.

**Enhance Training and Development:** Organizations should invest in training and development programs to empower employees and enhance their participation skills. This includes providing training on communication, negotiation, and leadership skills, which are essential for effective participation. Continuous professional development can help employees feel more confident and capable of contributing to decision-making processes.

**Strengthen the Role of Unions and Works Councils:** Unions and works councils should be encouraged to focus more on direct individual participation in addition to their collective representation roles. This can be achieved by promoting initiatives that allow employees to engage directly with management on issues that affect their work. Unions and works councils should also work collaboratively with management to develop and implement participation agreements that specify additional methods of employee participation.

**Foster a Culture of Openness and Collaboration:** Organizations should foster a culture of openness and collaboration by encouraging employees to voice their concerns and suggest solutions. This can be supported by creating formal and informal mechanisms for feedback and dialogue, such as suggestion boxes, online discussion boards, and regular team meetings. A supportive and inclusive work environment can enhance employee engagement and satisfaction.

**Address Financial and Bureaucratic Constraints:** Efforts should be made to address the financial and bureaucratic constraints that hinder direct worker participation. This includes providing financial incentives for participation, streamlining bureaucratic processes, and ensuring that participation practices are flexible and adaptable to the needs of the organization. Reducing these barriers can make it easier for employees to participate actively in decision-making processes.

**Leverage Technology for Participation:** Organizations should leverage technology to enhance direct worker participation. This includes using digital platforms for feedback and communication, online training programs, and virtual meetings. Technology can help bridge the gap between employees and management, making participation more accessible and efficient. Additionally, organizations can use data analytics to monitor participation levels and identify areas for improvement.

**Monitor and Evaluate Participation Practices:** Regular monitoring and evaluation of participation practices should be conducted to assess their effectiveness and identify areas for improvement. This can be achieved through employee surveys, feedback sessions, and performance reviews. Continuous improvement of participation practices is essential for maintaining a high level of employee engagement and satisfaction. Organizations should also benchmark their practices against industry standards and best practices to ensure they are meeting their participation goals.

**Encourage Employee-Driven Innovation:** Organizations should create an environment that encourages employee-driven innovation. This can be achieved by recognizing and rewarding innovative ideas, providing resources and support for implementing new initiatives, and fostering a culture that values creativity and experimentation. Employee-driven innovation can lead to significant improvements in organizational performance and competitiveness.

**Promote Work-Life Balance:** Organizations should promote work-life balance to enhance employee well-being and participation. This includes offering flexible working arrangements, providing support for work-life integration, and addressing issues related to workload and stress. A healthy work-life balance can improve employee satisfaction and productivity, making it easier for employees to engage in participation activities.

**Strengthen Leadership and Management Support:** Effective leadership and management support are critical for the success of employee participation initiatives. Empathetic and engaged leaders who listen to their employees and foster a collaborative work environment will be essential in driving participation and achieving organizational goals. Leadership development programs should focus on building these skills and promoting a participatory management style.

**Promote Awareness and Education on Participation Rights:** Organizations should promote awareness and education on participation rights among employees. This includes providing information on the legal framework for participation, the benefits of participation, and the various methods available for employees to get involved. Educating employees about their rights and opportunities for participation can empower them to take an active role in decision-making processes.

By implementing these recommendations, Slovenia can enhance direct worker participation, creating a more inclusive and democratic workplace environment. This will not only improve organizational performance and employee satisfaction but also align with broader democratic principles and the goals of social justice. Addressing the current gaps in the legal and institutional framework, promoting best practices, and fostering a culture of participation will be crucial for achieving these objectives.

Finally, it must be stressed that in the company case studies, direct and representative worker participation often overlap, acting on similar scopes and areas of intervention. Direct participation involves employees having a direct say in decision-making processes within their workplace, such as through regular meetings, suggestion schemes, and joint decision-making committees. This form of participation typically focuses on day-to-day operational decisions, workplace safety, and innovation initiatives. On the other hand, representative participation involves unions and works councils representing employees in negotiations with management, addressing broader issues such as wages, working conditions, and organizational policies.

While both forms of participation aim to improve the workplace, they differ in scope, intensity, and modes of regulation. Direct participation is more immediate and operational, often less intense and more informal, regulated through internal company policies and practices. In contrast, representative participation is broader and strategic, more formal and structured, governed by collective agreements and labor laws.

Direct and representative worker participation complement each other in pursuing industrial relations objectives such as equity, efficiency, and voice. Representative participation ensures fair wages and working conditions through collective bargaining, while direct participation allows

employees to address immediate concerns and contribute to a fair workplace environment. Direct participation can lead to immediate improvements in work processes and innovation, while representative participation ensures long-term efficiency through structured negotiations and agreements. Together, they provide a platform for employees to voice their concerns and suggestions, with representative participation amplifying these voices through formal negotiations and advocacy.

In the case studies, direct and representative participation often interact functionally. For example, the Workers' Council and unions collaborate to address employee concerns and negotiate with management, ensuring that both immediate and long-term issues are addressed. This interaction typically occurs in areas such as workplace innovation, where direct participation through suggestion schemes and innovation committees is complemented by representative participation in negotiating the implementation and monitoring of these innovations. Interaction happens before, during, and after the implementation of specific measures or interventions, covering regulation, implementation, and monitoring phases.

The reasons for interaction or lack thereof between direct and representative participation are related to management's and worker representatives' orientation, the institutional framework, and the power of workplace labor representation. Collaborative management styles and proactive worker representatives facilitate interaction, while autocratic management styles and passive representatives hinder it. Strong legal frameworks and supportive company policies encourage interaction, while weak frameworks and restrictive policies discourage it. Powerful unions and works councils with significant influence are more likely to interact with direct participation mechanisms.

Direct and representative participation interact through various means and procedures, such as regular joint meetings between management, workers, and representatives to discuss issues and solutions, suggestion schemes where employees submit suggestions reviewed by both management and representatives, and joint committees comprising employees, management, and representatives to oversee specific areas like workplace safety and innovation.

The integration of direct and representative participation yields positive results for workers, companies, and innovation projects. For workers, it leads to higher job satisfaction, better working conditions, and increased engagement. For companies, it results in improved organizational performance, higher innovation rates, and better employee retention. For innovation projects, it ensures more successful implementation of innovative ideas due to combined input and support from both direct and representative participation. These integrated approaches tend to yield better results compared to separate paths, as they combine immediate feedback with structured advocacy, leading to more comprehensive and effective solutions.

However, there are obstacles and barriers to functional integration between representative and direct participation, such as rigid hierarchical structures, financial constraints, and complex bureaucratic processes. These barriers can limit the effectiveness of direct participation and hinder timely and effective participation.

Functional integration between representative and direct participation is essential for enhanced outcomes. It leads to better results for both employees and organizations by combining the strengths of both participation forms. Integration ensures that both immediate and long-term issues are addressed, leading to more sustainable and effective solutions. It empowers employees by giving them multiple platforms to voice their concerns and contribute to decision-making processes.

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