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Interview: Giorgio Zappa, General Manager

Finmeccanica: deal reached on targets

“For managers, [there will be] a direct relationship between pay and the achievement of targets”

M. M.

The approach of talking to the unions has worked. Finmeccanica has signed a deal with the unions under which senior management’s pay will be tied to the achievement of certain targets – in other words, it will be performance-related. Giorgio Zappa, Finmeccanica’s general manager, sees this agreement as continuing the policy of dialogue that has always been pursued by the group’s companies.

Have you changed tack, Dr Zappa?

Finmeccanica has always sought dialogue with the union – both when its companies have been in difficulties and maybe some company or other needed restructuring, and when things were going well.

As now?

We got out of a difficult situation some years ago now, but not for this have we changed our ways.

How do you work?

We try to implement a transparent industrial relations model, sharing strategies with the union on various levels – corporate, company, and facilities – while maintaining continuity and not changing direction.

Does this pay off?

It always has. By engaging in dialogue the unions gain in awareness and, most importantly, develop on a cultural level.

Where does the difficulty lie?

In striking a viable balance between the non-negotiability of certain relationships – especially with more senior staff, such as management and researchers – and the

tendency of unions to represent all workers, not just blue-collar or less specialised personnel.

And do you succeed in this?

We succeed in reaching good agreements like this one, applying to management, which envisages a direct relation between the level of pay and the achievement of certain targets, and is therefore merit-based.

Could this model be applied to other categories of personnel?

We have never given up on going down this route. For sure, it is more easily done with senior personnel, but it has also been achieved with groups of workers – 100 or 200 people from whom certain performance levels were demanded. For us this is essential sometimes. With our international clients it is crucial to abide by agreements, timetables and specifications, and everyone must contribute their part.

Is the FIOM [the Italian metalworkers' union] also signing this agreement?

I think a great deal depends on credibility in our historical relationship, on the fact that we always behave in the same way, and not only when things are going badly.

Are you also thinking in terms of a sort of group protocol in industrial relations?

We are working on something like that. Certainly we would not stand in its way.

What limits are there on your dialogue with the union?

Those set by our international clients, which demand certain special ways of operating. The unions are well aware of these.

Have you inherited your approach from Intersind [the organisation that used to represent the publicly-owned enterprises of Italy's IRI group], which was such a great exponent of the dialogue between unions and employers?

This has been the course followed by big groups, many of which were state-owned. Today, for large companies, there is only one convincing industrial relations model: one which considers employees a part of a business's success story.