How to create more freedom in large companies

by

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Overview

Faced with markets which are evolving ever more rapidly, companies are trying to become more responsive and creative. Some are trying out management methods which give more freedom, responsibility and initiatives to their employees. Consequently, we are witnessing the emergence of so-called 'liberated' companies which all tend to be rather small in size. Does this mean that this development is inaccessible to large groups whose heavy organisational structures, complex processes and systems of established management are holding them back? Examples from Michelin, OCP (the leading Moroccan company) and ENGIE suggest the opposite. Each one of these groups is exploring new organisational methods based on accountability and trust with humility and pragmatism, sometimes at the cost of radical in-house change, but the benefits are already starting to be felt.

Report by Sophie Jacolin • Translation by Rachel Marlin

Michel Berry: The energy liberation process, accountability, autonomy and 'liberated' companies… these managerial approaches whose aim is to develop agility and innovation seem even more difficult to apply when the organisations are enormous. Nonetheless, large groups like Michelin, OCP and ENGIE have made significant steps in this direction. How have they achieved this?

Michelin: accountability by repetition

Bertrand Ballarin: In this area Michelin has a great deal of ground to make up, and it will take some time before we will be able to implement this change. Our approach changed its end *point en route*. It is being handled by senior executives – for which we are sometimes criticised – but the ideas come from the workers, and the approach has been enhanced because of experiences and challenges met along the way.

Michelin is a highly 'manufacturised' industrial company. More than two-thirds of our employees work in factories. Our accountability approach began at the end of the 1980s in countries where labour costs are high, especially Germany, France, the United States and the United Kingdom. Because of in-house competition, some factories tried to improve productivity through their organisational structure (in the managerial hierarchy and technical and administrative support services) by giving more responsibility to manufacturing units. This was the opportunity to breathe new life into the 'old' concept of the autonomous team. The result of this first stage, which progressed through trial and error, is that these teams got used to doing without foremen and managers, or even technical support for two-thirds of the time. They found solutions which meant that they could carry out their activity autonomously.

A fragile balance

At the beginning of the 2000s, it turned out that these new experiments had a huge impact on staff motivation and the reactivity of manufacturing units. As a result, Édouard Michelin encouraged all Michelin's factories to copy this initiative. This was the beginning of the second stage during which senior management took back control, and wrote up all these findings in a reference document. All the group's industrial activities consulted this report and made use of the results.

A few years later, the group realised that the absence of homogeneity between the different industrial production systems in the factories raised the issue of competition. Between 2005 and 2011, management made every effort to use its own production system inspired by Toyota's Lean Manufacturing. This method was implemented in an authoritarian, prescriptive and standardised way throughout all the sites. At this time, I was the manager of one of these sites, and I actively took part in this movement. Over a five-year period, productivity improved by 30 %, without additional investments. Clearly the decision to revert to disciplinarian tactics and methods had paid off.

However, towards the end of 2010, senior executives who regularly visited the factories noticed that one of the factors in which Michelin took great pride, the unique psychology of its factory workers, was beginning to disappear. Traditionally, a Michelin employee was a sort of 'old hand' working in modern times, in other words, he was brave, devoted, happy, and certainly always dissatisfied and complaining, but nevertheless determined and proud of his work. This attitude was starting to disappear not only among factory workers, but also among foremen who complained that they were being changed into 'lifeguards'. They claimed that their management activity was being 'taylorised' (after Taylor who supported a rationalised view of production). We realised that we had made the same mistake as most companies when faced with Lean Manufacturing: we were using tools and methods, but we were failing to apply the philosophy.

From utilitarianism to humanism

When this became clear, group management decided to change its strategy. All Michelin factories were given two years to re-implement a system of employee accountability (which had existed before) and the objective was to bring it to the level which had existed in 2005. At the same time, an ambitious initiative was launched which aimed to 'reinject' intelligence and humanity into the production system in factories which we categorically refused to close. We had to put in place an organisational and management model which would encourage employees to reconnect with their work ethic by finding a source of motivation and inspiration in their workplace. Therefore, we added a more human approach to the original utilitarian method.

Significantly, the first wave of accountability was carried out by industrial management, and the current wave by personnel management.

To help implement this new approach, employees from about forty manufacturing units (each with between forty and fifty employees) were asked to answer two simple questions: 'What decisions are you able to make and what do you think you can do without getting the 'go-ahead' from your boss?' and 'What production uncertainties do you think you can solve without the intervention of the factory's technical support services?' After a year's discussion and experimentation, the solutions regarding employee autonomy which they identified and implemented produced results which were sometimes astounding.

At the end of 2013 and the beginning of 2014, we merely had to show that this form of autonomy was effective once it was put in place simultaneously in the forty manufacturing units of a factory. We also still had to explain the consequences of this organisation on the relations between the factory's structure (especially management and its support functions) and the manufacturing function. In a way, it was as if we had to reinvent the general functioning of the first significant and autonomous link in an industry, namely the site itself. This approach is currently in place in five pilot factories whose end-date has not been decided.

We quickly realised that the executive committees of these sites were faced with the inertia which existed in the rest of the group. Therefore, a decision was made to extend this experimental approach to the entire organisation (including the IT department, personnel management, business departments and so on). As a result of these experiments, we managed to devise an accountability model which gives employees a broad field of action and freedom of interpretation, guaranteeing the commitment of each individual in the shared group philosophy, and the implementation of a coherent and comprehensive global system.

In short, we now realise that accountability was a determining factor which allowed our company to become responsive, flexible, reactive, innovative and committed. When one adds trust to that equation, accountability simplifies matters in circumstances where organisations tend to be made complicated because of mechanisms which foster mistrust. Subsequently, accountability has become one of Michelin's priorities in the group's transformation, and one of the three principles of the new organisational strategy announced in March 2017. Its implementation will start at the beginning of 2018.

Talk: Hicham El Habti

Michel Berry: Unlike Michelin which has a long-standing tradition and endless patience, OCP's transformation was extremely rapid.

OCP: accelerated change

Hicham El Habti: A former Moroccan administration, the Office Chérifien des Phosphates (today's OCP Group) underwent an initial change when a new president arrived in 2006. Having become a limited company, the group's

turnover increased from 2 to 5 billion dollars between 2006 and 2015, and at the same time its EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) increased from negative to a margin of 30 %. All of this took place without redundancies or the injection of capital by the State (the majority shareholder). This achievement was the fruit of a managerial transformation which allowed OCP to become the world leader in the manufacture of manure and fertilisers.

Change despite success

Far from resting on its laurels, OCP's president feared that activity would slow down, especially because in the space of a decade the average age of employees had fallen from 45 to 35. Consequently, he considered that if the company did not react to this, it would be unable to face a new competitive environment, and so he launched a new dynamic phase.

Initially, executive management discussed the group's ambitions. They concluded that the ambitions were for OCP to be global, strongly digitally-based, and that it would be a company with enterprising employees. As a result, it would be able to face the future. All the employees had to be part of the development and implementation of a new strategic transformation curve.

To achieve this ambition, we searched for new references. At this time, the concepts of the 'liberated' company and other 'inspired' work communities were in fashion[1]. We kept two reference points from a literature review on these topics. The first was inspired by Douglas McGregor[2] who identifies schematically two approaches of professional activity. These are Theory X, that work is not natural to man and consequently management has to intervene in order to prompt motivation and exercise control; and Theory Y, that work is natural to man once he has the opportunity to demonstrate initiative and exercise responsibility. We strove to reconcile these two aspects in the knowledge that if we wanted to be legitimate in a situation of Theory X, we had to be credible in a situation of Theory Y. Therefore, we had to find a third path.

The second reference point was based on the idea of a resource manager which we still found quite vague.

A non-identified organisational object

On this basis, we began an animated and co-ordinated, certainly not 'led', approach (we refused to call it a 'project') with a 'non-identified organisational object' – me. At the time, I did not report to the Human Resources department, but was in charge of management control. Paradoxically, my objective was to devise an approach to ban any form of control. I ought to add that I did not have any official mandate apart from the president's word which he gave when he launched this initiative, entitled the 'Movement', on April 4th, 2016.

Employees were invited to have debates which they initiated, and which had to relate to one of the aspects of OCP's ambitions (to be a global group; to be focussed on digital development; and to have enterprising employees). They formed themselves into self-organised groups (called 'situations') and defined their own work timetables. This was the limit of the formalisation. Additionally, all the usual benchmarks were voluntarily left out. For example, there was no question either of a project, an end-date, an end-product or a steering committee. We allowed ourselves to specify some new benchmarks. Firstly, the approach had to be open: the first fifty employees were chosen to represent the diversity of the company and should not consider themselves to be 'the chosen few', but simply 'contributors'. Their responsibility was to ensure that their colleagues took part in the process. We set up 'bait' to encourage people, in other words, three appointments with executive management. I was the last benchmark providing support, having made it clear that I had no hierarchical relationship whatsoever with those taking part.

1. Frédéric Laloux, 'Reinventing Organizations : vers des communautés de travail inspirées' (pub. Diateino, 2015).

2. Douglas McGregor, 'La dimension humaine de l'entreprise' ('The Human Side of Enterprise') (pub. Gauthier-Villars, 1976).

We had hoped to increase from fifty to two hundred and fifty contributors taking part during 2016. On the day of the launch, the industrial director asked the employees of the sites to sign up for the Movement, and as a result by the end of 2017, there were about five thousand five hundred people taking part in the Movement.

The first results are already visible. A new predictive maintenance business unit has been created. Executive management in charge of communication has been replaced by a group of employees who have a new approach to this function. This self-organised collective, which does not have an appointed head, is in the process of inventing a new management system. Additionally, the company's vocabulary has changed. We use less often the words 'head' or 'director' and more often 'subsidiarity', 'facilitation', 'empathy', 'pleasure', and 'trust'. Finally, I have just been appointed OCP's assistant secretary general which is a way of proving to the entire group that the Movement is serious and brings with it a new form of management.

Talk: Pierre Deheunynck

Michel Berry: Like OCP, ENGIE also experienced a rapid transformation.

ENGIE: transformation in a climate of organised chaos

Pierre Deheunynck: This was the case because the economic environment does not give us any other choice. ENGIE was the result of the merger of Suez, GDF and International Power, all of which had a combined turnover of 97 billion Euros in 2012. However, in 2016 this fell to 66 billion Euros due to various factors including the fall in gas prices, the disappearance of the energy distribution monopoly, the arrival of hitherto unknown competitors, the fall in consumption because of the energy transition, and the boom in renewable energy sources. These factors upset the model of every global energy group. As far as ENGIE was concerned, they led to eight consecutive years of falls in turnover and EBITDA without any change to the organisational structure. We are one of the companies which contributes to global warming.

A strategy of 'rebirth'

When ENGIE's new CEO, Isabelle Kocher, took up her job in May 2016, she announced a strategic upheaval and a change on a global level, both of which had three characteristics: decarbonising activity, in other words, investing essentially in low carbon energy; decentralising, in order to take advantage of local, competitive solutions; and digitalising, in other words, innovating in terms of services. The coming revolution in the energy industry is similar to that which affected the business model of telecom operators. Users now regard landlines as free of charge, and they pay instead for mobile phone and Internet subscriptions. Tomorrow, perhaps, energy will also be provided 'for free' and only the associated services will be charged. It is not certain that this will take place. Prices are most certainly changing radically. By way of illustration, ENGIE's new Chilean solar farm produces electricity at $34 per megawatt/hour compared to $100 per megawatt/hour in a normal power plant.

Three radical transformations

To implement this new strategy, the group announced asset sales worth 15 billion Euros, as well as investments worth 22 billion Euros. On the operational side, it carried out three radical transformations.

The first was a radical change in group organisation. ENGIE decided to increase from five global branches (corresponding to its major businesses) to twenty-four business units which were essentially regional. Over a six-month period, three hundred and fifty managers – managing directors and management teams of these new business units – were appointed to different jobs. The regional units now offer integrated solutions for

their clients. For example, in Singapore, the Bolloré group was awarded the contract for the electrical car-sharing market, but it works with ENGIE which supplies the electricity production, the installation of electric recharging stations and the management of the platform which regulates the network. This new integrated scheme requires transversal organisation, as opposed to the vertical organisation which was present before.

At the same time, ENGIE instigated a radical transformation in its internal governance. Decentralisation meant that we had to change the framework for strategy development, the budget allocated and the management of internal activities. With this in mind, we created 'Executive Leadership Sessions' whereby the CEO visits the twenty-four business units every year. During her visit, each unit informs her about its strategy, its internal efficiency programme, its purchasing and sales and plans, as well as its operating environment (human resources and organisation).

Logically, this organisational revision involved a change in leadership. This was our second transformation. To put this in context, let us not forget that a large part of our employees qualified themselves as 'agents' serving 'users', which is something left over from when they worked under the previous operator, Gaz de France. We would like to make them 'employees' who are in contact with 'clients' or partners. We have completely changed the leadership equation by raising questions about decentralisation, controlling *a posteriori*, initiative and cooperation. This new model is developing in different regions – ENGIE exists in seventy countries – and in businesses which are at different stages of maturity. We need to bring together all the conditions so that each unit will be able to develop in line with its specific context and clients, according to its skills, experiences and financial means.

The third radical transformation is related to speed. We are trying to devise a scheme which is both top-down and bottom-up, systemic, and able to advance quickly, which for us is a fundamental dimension. Through teaching and explanation, we have outlined the transformation project's *raison d'être*, refined the methods, and created a framework of trust which encourages each person to play an active role. Nevertheless, despite a climate of trust, there are still questions, and we must rapidly produce results. Now that we have convinced the market, the shareholders, the board of directors and the staff about the relevance of our project, and in the knowledge that we still have the financial means necessary to act, we must quickly demonstrate that our strategy produces results.

For the first time in 2016, an internal survey was carried out among the one hundred and fifty-five thousand ENGIE employees. Half of them considered that the group was moving much too fast. The other half thought that the group was advancing too slowly. In 2017, 56 % of our employees thought that we were progressing at a good speed and that we could even accelerate a little more. We are clearly in the process of changing direction due to the initial results which we are receiving. The movement has been set in motion.

At this stage, one thing is certain: we will not be able to change strategy without keeping a framework of trust. For this, we need to use a variety of means, tools and methods all of which are common to the group. It will be a case of 'rituals' which can be characterised, for example, by asking whether there is a better way of doing something or reminding oneself that one does not have the right not to try, even if it results in failure. We are adopting a subsidiarity attitude. For example, we are decentralising the management of the one thousand managers in the group to the managing directors of the business units. In conclusion, we are experiencing a period of 'organised chaos' which gives us an opportunity to be constantly learning.

Discussion

Why autonomy?

Question: *Why does one need to give autonomy to a large number of employees? Is this the corollary of the increased digitalisation of processes?*

Hicham El Habti: The day the president of OCP launched the Movement, he asked us whether we thought that a company like OCP could be managed by just one person. The answer was clearly 'no'. The principle of subsidiarity was essential. What triggered this question was the president's observation that a certain number of strategic projects on the group's agenda failed to take shape because of problems related to organisation and decision-making. Furthermore, the fact that the staff were getting younger meant that the company had to be in tune with the age of its employees. In the past, when one started working for OCP, it was assumed that it would be one's job for life, but nowadays this is not necessarily the case. Today, employees who do not care for their work can resign or accept another, more motivating job for a lower salary. This raises questions for senior management whose responsibility is to promote the 'human assets' present in the company.

Six months after the launch of the Movement, the president stated that in order for the Y dimension to express itself – in other words, to liberate employee autonomy – it was necessary to work on the X dimension – in other words, to adapt the processes. This meant creating a virtuous cycle which a third factor, the digital aspect, would amplify. Until now, possessing information confers power, but in the future, everyone will have access to information, so we should concentrate on the mechanisms of decision-making and the power to take action.

Q.: *As a form of technology, the digital sector is heavily imbued with management's ideology, and is frequently its 'armed wing'. You are clearly calling for a 'liberating digital movement' but this may also be incredibly alienating. These dimensions confront each other inside companies and can cause real tension. How are you going to be able to use the features which the digital sector has to offer?*

Bertrand Ballarin: The sudden willingness of companies to apply the principles of subsidiarity and devolve decision-making is the result of a phenomenon of 'cerebral congestion' which the sociologist Michel Crozier mentioned back in the 1960s. The first IT wave in the 1980s demonstrated the degree of control which processes exerted on organisations and meant that executive management lulled itself into thinking that it had total control in real time. The consequences were difficult and only made the processes more complex and cumbersome, resulting in an explosion in general and administrative costs and decreasing productivity gains which the units – Michelin factories – were desperately trying to make.

Let me give you an extremely unexpected example of the liberating 'virtues' of the digital age. In some of our factories, we worked with operators to figure out how digitalisation could facilitate manufacturing operations. We suggested that they experiment with a watch connected to the machines which would alert them if a problem arose when they left their station briefly. When we told them that the alert signal would not be loud enough to be heard in the room where they were taking a break, there was an outcry. They thought, on the contrary, that they should be alerted so that they were not disturbed during their break. This goes to show that one must think of the human aspect when considering digitalisation. There could be substantial increases in performance.

Q.: *To what extent does accountability contribute to the quality of life at work and the safety of employees?*

B. B.: Accountability acts on the linchpin affecting the quality of life at work, and one might even say the quality of work. We give employees the opportunity to question the way in which they work both constantly and collectively. A manufacturing team which has been given responsibility for the entire range of its activity is also responsible for safety. When we allow operators to carry out analyses into accidents themselves and to implement

the appropriate measures, we always get better results than when this responsibility is in the hands of line managers or those in charge of safety and accident prevention.

Freedom and control: can these extremes be reconciled?

B. B.: As much as I appreciate that one can adapt types of management according to the degree of maturity of the teams, I find it hard to see how it is possible to combine the X and Y Theories. What is your opinion on that?

H. E. H.: I am not sure that I can answer this better than you, but I see a motivation in this question which escapes us. If OCP's first transformation curve was a success, it was because we expressed an ambition which many people considered unrealistic at the time. In the space of ten years, this state-run company became a leader in terms of costs, capacities, industrial flexibility and commercial dexterity. As a result of this, we began a process of 'creative chaos'. Also, today, I have no idea what will happen if we combine the X and Y Theories. However, I do know that this question and discussion could give rise to a new management system. We are currently experimenting by replacing our communications department with an autonomous and self-organised team. Those involved have noticed that this exercise is difficult, and that even though they have the right to express themselves, they also have to consider the circumstances under which they have the right to make decisions. They have already realised that they needed complementary skills more than a hierarchy. We are closely monitoring this change, like a laboratory experiment, of the possible links between the X and Y Theories.

B. B.: Do the members of the communications team work exclusively for this team?

H. E. H.: Most of the team work exclusively for this team, but some members also carry out other jobs. Some of them have refused to state the number of hours they spend in the communications department as they explained to their managers that this would stifle the initiative and passion which motivates them. They prefer to feel free in a framework which we clearly fix, but which has to be flexible. We see organisation as something which is being perpetually renewed and not a fixed situation, and because of this, we are constantly learning.

Q.: *There is a saying that the freedom of some people stops where that of others begins. In companies which promote autonomy and accountability, where does this freedom stop? And are the boundaries fixed after all?*

Pierre Deheunynck: Isabelle Kocher urged the fifty senior executives who were the driving force behind this transformation to take initiatives. She assured us that she would stop us if we went too far, but she made it clear that this was very unlikely. There is a very small likelihood that we would abuse our freedom as long as we have a long way to go before we can free ourselves of the constraints of the past.

B. B: This did not bother us. From our point of view, what is at stake is not the freedom of employees, but their ability to take action. I think it is more important to talk about an approach which makes individuals aware of their responsibilities within work collectives by directing the power to act towards the lowest levels where the capacities for action are located. This means that employees allocate themselves to their own objectives, take their own decisions which are likely to solve their problems, and decide for themselves what action to take. We will only ask them to account for their actions after the event. This power to take action necessarily carries with it the moral obligation to assume the consequences of one's decisions, but we hardly need to instil this, because in a good professional organisation individuals are naturally respectful of the company in which they work. This is even more true in an activity such as ours which makes us responsible for the safety of our end users.

Two factors help to avoid anarchy without damaging accountability. Firstly, the head of the company needs to express clearly the company's main strategic objectives so that those who implement them know the nature of the end goals; and secondly, each unit needs to know the precise nature of its objective.

Performance: a catchword to reconsider

P. D.: I have noticed that companies which need to change, deviate from the doctrine, and experiment and learn

from their own experiences. We tended to believe that we understood everything about management, and then we tried to learn from others about how to move forward a little every day. Respect and goodwill without acrimony accompany these changes, and do so in spite of the economic goals which we have set ourselves.

Having said that, we are not naïvely optimistic during the transformation. Our aim is to manage to achieve the best performance possible in the very short term. ENGIE has already taken a path of organic growth, something which has not been the case for several years. Contrary to a decade ago, we can no longer allow ourselves to initiate transformation programmes which we hope will generate results two years later. Performance has to be immediate. It gives the freedom to continue to change.

H. E. H.: I discovered why experimentation was important when the Movement emerged in OCP. Until then, projects had to have fixed limits, they were marked out with deadlines, piloted by committees, orchestrated by external consultants, and so on. Today, the opposite is true, and we are building our Movement in-house, without outside consultants. This is a guarantee that our employees will adopt it more easily.

How can one measure the success of this Movement? We do not think that it is necessary to apply indicators *ad hoc*. One of our sites tried to do this and concluded, a month later, that it was not appropriate. The fact that an executive committee agreed to cancel a decision which it itself took recently is proof of humility and goodwill.

M. B.: *Do some people not call you to order on the grounds that results are paramount? How do you deal with scepticism, disagreement or inertia?*

H. E. H.: Colleagues who did not take part in the 'situations' hoped that the Movement would speed up the projects which were not moving very fast. In this case, collective intelligence played the role of a sort of 'border police'. Others are sceptical. They regard the Movement as work which is given to support functions – such as human resources, finances, the legal department, management control – and question its usefulness. Others, often those in middle-level management positions, are worried that they do not know how to embrace the modernity which the executive management is trying to implement. They question the best attitude to adopt, or the best behaviour necessary to 'fit into the mould'. Some employees said that they preferred to remain focussed on the objectives which their managers had set them. The industrial sites provided us with the best answers: in 2016, our oldest chemical factory exceeded its production targets by 7 %, a difference which was related to purely technical causes by only approximately one-third. The rest was the result of autonomy, accountability and operators taking initiatives.

Getting the shareholders involved

Q.: *Are your shareholders in favour of your methods? Do they stand by you?*

P. D.: When Isabelle Kocher outlined her 'strategic turnaround' project to the board of directors, she explained how she would achieve it. At ENGIE, we think that how we obtain our result is just as important as the result itself. In this case, it is a question of creating an ecosystem which is conducive to transformation. The management team is joining forces with the CEO to share the approach throughout the company. For example, I am a permanent guest on the board of directors and my plan is to complete the analysis of the economic performance by assessing the strategic change and the transformation in progress. We proceed in the same way with journalists and investors.

Changing with and for our clients

Q.: *Do your clients see your transformation programmes and understand or reap the benefits?*

P. D.: It all began with the clients. In the framework of our strategic process, we asked each business unit to map out its interactions with those involved (including clients, naturally) and its strategy with them. We were stunned by the results which showed that we had very little information about our clients.

Each of the fifty key people in charge of the transformation is now an executive sponsor of an important client. For the first time, we invited about one hundred clients in order to discuss our strategies, skills and the solutions we can devise together. This dimension is crucial in the new economic model which we are putting in place.

If we do not devise innovative models with our clientele, we will fail to implement our strategy. It took us a year to really understand this important question and to share it with the local teams. We then introduced a framework of trust with our clients in order to devise new solutions, such as energy performance contracts.

Are middle-level managers dying out?

Q.: *If each employee has access to an objective piece of information which allows him to take operating decisions on his level, will we still need middle-level management?*

P. D.: In the future, middle-level managers will no longer need to be controllers, but instructors or leaders. They will then occupy their rightful place.

Q.: *People in the generation which encourages liberation movements and digitalisation processes are not company managers. They think that they will never be able to sit on executive boards, and that the members of these boards have been there for too long. They also assume that their avant-garde ideas will never be heard. At the head of companies, there are managers who believe in young people and encourage them to take initiatives. Will we have to get rid of the old guard on executive committees in order to breathe new life, growth and energy into companies?*

H. E. H.: OCP's executive board is very young. Our strategy director is 33 years old, and our industrial director, 40. We have just created the position of chief digital officer and that person is 32. The company is showing everyone that one simply has to be proactive in order to take action.

Q.: *Has OCP side-lined its senior directors?*

H. E. H.: No. On principle, OCP does not exclude human talent, but I admit that the entire management system is in the process of being revised.

Trusted labour relations

Q.: *What sort of discussions have you had with trade unions in the course of your transformation projects?*

P. D.: By openly communicating about the meaning, method and framework of trust, we think that we have been able to include everyone including trade unions in the context of the transformation project.

We realised that in order to set the course for the future, firstly we had to transform the headquarters. Having reorganised the group into business units, we started a project which should have an impact on five hundred and fifty jobs out of the two thousand in the corporate department over the next three years. The French employees concerned maintain their civil servant status. All the trade unions (including the CGT trade union) signed an agreement with the management based on their understanding of the meaning of the project and the method, but clearly not approving the redundancies. We were completely transparent about the economic elements with the trade unions. Since we all had the same information, we came to the same conclusions.

We also established a framework of trust by starting discussions and negotiations early on regarding how we would be able to provide support and help for the inevitable social consequences associated with the restructuring of the corporate body. At least the employees understood the purpose behind this approach, whether they approved of it or not.

B. B.: Accountability is not new to Michelin, and it was not motivated by a need to improve performance immediately. Consequently, this has been an extremely progressive movement which has been applied to an existing organisation. The attitude of trade unions towards this approach varies from country to country. In Germany, they are inclined to work on the way in which employees carry out their work. In other countries including France, they are focussed on problems related to employment and purchasing power instead of questions of organisation and quality of work. We are trying to make them aware of these fundamental questions especially when we ask for information in our meetings with the trade unions. Members of the Michelin European committee studied the elements of our accountability model, the consequences of it on career management (especially for the working-class population which is potentially the most affected), recognition, and so on when they were

gathered together for a two-day seminar. Finally, on our five pilot sites, staff representatives take part in the group hosting the project.

H. E. H.: OCP has a particular feature: its executives do not belong to a union. When we wanted to launch the Movement in the industrial sites, one of our points about which we were very careful was our relationship with our social partners. We wanted to move forward without offending them, and we wanted to be able to have a renewed and direct relationship with the employees. The choice of our 'local workshops', the equivalent of Michelin's demonstration units, was made according to where the social climate was the most favourable in order to be able to have an 'intelligent' relationship with the trade unions who trusted our intentions. The first recommendations the operators made were related to their work conditions. It was made clear that if the company wanted to develop its collective intelligence, it needed to bring together the necessary conditions for this to be the case – in pure logistical terms, for example, it would have to make a meeting room available for teams to use. We also organised an industrial 'hackathon' about safety and cost reductions. The winning team had devised connected equipment for personal protection which allowed one to identify the employees who did not wear this equipment. This was not a matter of 'sniping' or 'spilling then beans' on people. The basis of high-level security is interdependence, in other words the fact that personal responsibility does not stop with an individual, but includes the security of other people. Therefore, this equipment aims to make people responsible for themselves and for others. A trade unionist thought up this idea. Imagine what would have happened if executive management had suggested this scheme! This example illustrates the change of paradigm which is in the process of taking place, and the representation of the third path which I mentioned earlier. When management in general and the manager in particular create conditions which encourage expression and initiative, this allows employees to increase their accountability, and this then becomes a source of endless creativity.

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Pierre Deheunynck: graduate of Paris 1 Panthéon-Sorbonne University in employment law. Between 1986 and 2005, he occupied jobs as director of human resources of various units and divisions in the Danone group before becoming senior vice president of Danone's People and Organisation Development in 2005. From 2009 to 2016, he was the head of human resources at Crédit Agricole. Since 2016, he has been vice president of human resources and in charge of the supervision of Global Business Services at ENGIE.

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Michel Berry: graduate of the École des Mines; research director at the CNRS (French National Scientific Research Council); director of the École polytechnique research centre (CRG: *centre de recherche en gestion de l'École polytechnique*) from 1974 to 1991; in charge of the series '*Gérer & Comprendre*' in the Annales des Mines magazine from 1985 to 2015; founder of the École de Paris du management; chief editor of the '*Gazette de la Société et des Techniques*'; and president of the steering committee of the École polytechnique magazine '*La Jaune et la Rouge*'.

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