

# “Contingencies, new-institutionalism and complexity in the organizational paradigm. The Italian Jobs Act”

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 <http://www.researcherid.com/rid/J-7483-2015>

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## ARTICLE INFO

Massimo Franco and Alberto Cerimele (2016). Contingencies, new-institutionalism and complexity in the organizational paradigm. The Italian Jobs Act. *Problems and Perspectives in Management*, 14(2-1), 164-174. doi:[10.21511/ppm.14\(2-1\).2016.05](https://doi.org/10.21511/ppm.14(2-1).2016.05)

## DOI

[http://dx.doi.org/10.21511/ppm.14\(2-1\).2016.05](http://dx.doi.org/10.21511/ppm.14(2-1).2016.05)

## RELEASED ON

Monday, 06 June 2016

## JOURNAL

"Problems and Perspectives in Management"

## FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

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## SECTION 2. Management in firms and organizations

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### Contingencies, new-institutionalism and complexity in the organizational paradigm. The Italian Jobs Act

#### Abstract

The present study is animated by the perspective that organizations can be compared to oxymorons lowered into the reality. The primary objective of this paper, therefore, is to highlight, through theoretical contributions and a case study, the role and the challenges that the companies face in the moments of the definition, and adaption, of the organizational structures in relation to the environmental changes and to the complexity, intended as a preliminary condition and opportunity. The essential thoughts animating the analysis are based on the concept of contingencies, on the new-institutionalism theory and they refer to the general framework of the complexity. The principal methodology used to perform the analyses was a process of literature review. In addition, another methodology used to identify a common thread in the existing research was the “conceptual generalization”. This process has highlighted the theoretical and scientific aspects of the analysis and it has been functional to the final analysis, aimed at highlighting the repercussions on the organization of the companies and the human resources of the Jobs Act, a set of laws and legislative decrees that from the end of 2014 has defined new rules and new technical and organizational scenarios.

**Keywords:** organization, HR, structure, contingency theory, new-institutionalism theory, complexity, Jobs Act, reform.

**JEL Classification:** K31, M54, J38.

#### Introduction

Organizations are mostly like the oxymorons lowered into the reality, and the logic governing consists in the incessant act of conciliating antithetical characters (Bonazzi, 2008).

Comparing the concept of organizations, that, in its most literal meaning, is a conceptual synonym of order, structure and harmony, to an oxymoron, figure of speech aimed at matching two contradictory terms, logically conflicting, to obtain an effect of apparent paradox<sup>1</sup>, provides the logic sense of the deep complexity and contradictory nature of the realities in which the companies operate and organize themselves to achieve their own objectives.

Referring to a known definition, “organizations are social entities guided by objectives, designed like deliberately structured and coordinate systems of activities interacting with the external environment” (Daft, 2010), and, then, by their nature, in continuous mutation.

In the field of the organizational design and considering the tendency of the companies to remain in a state of preservations – conservation – to continue living, it is unthinkable to talk about organizational innovation, in fact, if the organizations do not consider the innovations in the human resource management; a

good business idea is, indeed, connected to a good human resource idea (Costa and Giannellini, 2013).

At the same time, it is impossible to talk about efficient organization if there is not a good response to the conditions imposed from the external environment that can influence the organization itself (Pennings, 1992).

The strategy and the structure mutually influence each other, and they are equally subject to the influences of the environment in a interdependent relationship, so that it is possible to move from a circular to a contextual relationship in which, other than the environment, there is a series of institutions with strong powers of influence (Costa, 2013).

In the actual competitive scenario, the primary task of the managers is to ensure and promote the communication and the cooperation between these worlds, made of behaviors, persons and groups and apparently distant.

The complex vision of interdependence between the spheres in which the organizations are absorbed justifies the frequent use of the locution “dynamism of the organizational phenomenon”, intended as an innate reaction to the change and complexity.

The primary objective of the present article is to highlight, through theoretical contributions and a practical case study, the role and the challenges of the companies in the moments of their definition, and adjustment, of the organizational layout – the structure – in relation to the environmental changes.

The case study examines the enactment of the “Jobs Act”, the law n. 183 of December 10th, 2014. The particular conjuncture of the global economies has

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<sup>1</sup> Dizionario Bibliografico degli Italiani, Roma, Istituto dell’Enciclopedia Italiana Treccani.

forced the national Government to define a new regulation of the labor market, forcing the organizations to invest in the human capital and to adhere to the logics of the human assets. Through modifications of the labor policies – active and passive – of the discipline of the labor itself and of the conciliation between life and work instruments, the objective of the law is to create a new labor market, leaner and more inclusive, especially for the categories left out from the opportunities during the last years.

These modifications have affected the perception of the employment contracts: the mere vision connected to the labor law is replaced, or, at least, expanded – in the spirit of the reforms – with the concept of psychological contract based on the trust, on the commitment and on the necessity to identify in the organization. The aim seems to be in line with the desired superior objectives of adhesion to the organizations' values, to the will to support it and to the desire to remain member of it (Mowday, 1998), nevertheless. It is easy to understand that such modification has immediate and real repercussions on the organization, and on the management of the human resources, proving the effective and necessary integration of the companies in the context they operate in, in which they organize and adapt the structures.

The essential thoughts animating the analysis are connected to the concept of contingencies, lie on the new-institutionalism theory and, in the end, they connect to the general frame of the complexity. Contextualizing the companies in a complexity system, avoiding to tend to its highest limit established in the chaos, and thinking about the role that environment and institutions have, in their most general acceptance, is, probably, the only way to face, or, at least, comprehend, the basis of the science of organization.

In the act of describing the complexity of the organizational phenomenon and discussing on the organizations in relation to the environmental variables and to their possibility institutionalize, a process of literature review directed to analyze a series of scientific results, researches and theoretical contributions of the major experts – ex multis, Woodward, Burrell, Morgan, Thompson, DiMaggio, Powell, Mainzer and Weber – has been made.

Furthermore, another methodology used to identify a theme – a guide – in the existing research has been the “conceptual generalization” (Adriaenssen and Johannessen, 2015). This methodology utilizes, in conjunction with the research, scientific outputs of other researches in the same field to identify and generalize a pattern, a scheme applicable to the study (Adriaenssen and Johannessen, 2015). Obviously, this

methodology is in contrast with the “empirical generalization”, which is an observation and an investigation of a phenomenon initially hidden behind a set of data to interpret (Bunge, 1998). This process highlighted the theoretical and scientific characters of the themes and it has been functional to the final analysis aimed at drawing attention on the repercussions of the “Jobs Acts” on the organization of the companies and of the human resources.

The following quotes summarize the concepts successively analyzed and used as theoretical foundations for the final case study, completely in line with the organizational postulates.

#### 1. On the contingencies:

“The Classical School [...] prescribes an optimal model to organize the companies. Actually, how do the companies move away from that model? Is it possible to discover the reasons of such deviations and to find the connections between the models concretely adopted and some cyclic factors? In particular, how do the structural aspects - as the number of hierarchical levels, the average size of the teams or the incidence of the labor cost – connect to factors like the commodities sector, the company size, the type of property, the style of leadership?” (Woodward, 1965).

#### 2. Concerning the new-institutionalism:

“It is [...] no longer possible to study the organizations as they were main characters in a undifferentiated and anonymous context, and it is not either sufficient to examine, [...], the pressures locally practised on a specific organization. Generally, the organizations operate today in a structured and recognized pattern of ties and supports, and this condition of normality takes off that conflicted and dramatic aura to the action of the external forces [...]” (Bonazzi, 2008).

#### 3. About the complexity:

“[...] the organization looks like a high level of complexity organism, in which the single parts (structures and roles) are open systems doing specialized functions, but also functions based on autonomy and not on mandates, they are connected in a network of informational and economical exchange and they interact on the basis of rules influenced even by themselves: they change for the process of adaptation to the external environment and for internal outputs” (Albino, Carbonara and Giannoccaro, 2005).

### 1. Organization and contingencies

The study of the organization, during the last decades, has seen the proliferation of theories aimed at determining the applicability, or not, of a unique and unifying thought.

Realizing that the environment in which the companies operate is not a priori determined and, at the same time, it is not uniformly predictable – or unpredictable – the analysis of the organizational structure has been a process tended to recognize the real and concrete role and strength of variables not examined until that time. The act of considering the organization as a variable<sup>2</sup>, and not anymore as a constant, laid the foundations to appropriately understand the existing complex dynamics and force relations.

The principal responsibility of the top management, in the context, is to determine the objectives, the strategy and the organizational structure, adapting the organization to the environmental changes (Kotter, 1982).

The definition of the contingency theory took place from the analysis of the environment – the context – from organizing the structures around the concept of “one better fit” rather than on the “one best way”, supported by the Classical School<sup>3</sup>.

The term “contingency” expresses the fact that “one thing depends on other things” and that, to build efficient organizations, there must be a good correspondence between internal organization and environmental – external – conditions (Byrnes and Burrow, 2007).

This theory, arising from the ideas of open systems, establishes that it is possible to achieve the goals, and, so, to follow efficiency and efficacy logics, if the organizational design of the systems and of the subsystems is in compliance with the environmental necessities (Burrell and Morgan, 1979). There must be, therefore, a process of adaptation to the external contingencies to obtain adequate performance.

The contingent approach in the organizational analysis, crowned by the successful work of James Thompson (Thompson, 1967) – who establishes a real connection with the external environment and highlights that the organizational non-homogeneities are due to a different expositions to the environment (Thompson, 1967) – puts the organizations between rational and natural models. Organizing the work in

its structures, methods and times, and managing human resources means creating an organism able to adapt to the external circumstances. Furthermore, this approach helps to comprehend the concept of organization made of three levels: internal, intermediate and external.

In the internal level, there is the nucleus, closed, technical and efficient only if sealed, whose task is to provide secure performance. At the opposite side, there is the environment in which the company operates: the institutional level, intended as an operative framework. It is here that the company faces the external variables able to modify the structure and to increase the uncertainty. In the intermediate level, there is the management, whose task is to mediate between the two antithetical levels and, in some way, to reduce the uncertainty protecting the internal nucleus.

It is clear the rationality of the process that places the companies in a field where there are external forces too. Being immersed in relations of exchange implicates adapting to the environmental changes. This means taking advantage of the changes<sup>4</sup> and of the derived potentialities too. Reacting through organizational changes, or adapting a new concept to a new behavior, means analyzing what has changed in the context (Pierce, J.L. and Delbecq, A.L., 1977).

“[...] there is no best way for defining governance mechanisms, but they are not all equally good” (Huse, 2007). With this statement, Morten Huse has underlined the necessity of organizational dynamics – of governance, in his case – to find the correct “fit” and not to perceive difficulties to the changes. From his words, the strength of the external pressures to the internal mechanisms emerges. Here, there is the sense of what the studies on the contingencies imply: flexibility as a reaction to organizational external variables.

## 2. Organization and new-institutionalism

In the systemic analysis of the environmental importance, it is impossible not to include the thoughts connected to the new-institutionalism, conceptually – and only conceptually – close to the contingency theory. This approach provides valuable perspectives on the inter-organizational relations (Dacin, Goodstein and Scott, 2002).

The organizational studies are no longer intended as an isolated discipline, but as part of an analysis including entire social sectors with strong influences. The approach, in fact, becomes wider and tends to include further variables: the institutions. Conceived as

<sup>2</sup> In the organizational analysis, the concept of the organization as a variable was firstly observed primarily by socio-technical thought, characterized by a kind of opening to the outside and from the need to mediate between technology and consensus. The principles that characterize such thinking can be summarized in these concepts:

- 1) technical and social variables contribute equally to the definition of the production system;
- 2) each organization must be conceived as an open system to the external environment;
- 3) the available technology does not necessarily require the use of an organizational model.

<sup>3</sup> The basic assumption of classical theories is to design all organizations in the same way. As a result, the organization is seen as a constant shaped by those in command, which only operates by principles of rationality and for efficiency. From here, it follows the classic proposition that there is an optimal model for organizing businesses.

<sup>4</sup> The management literature has identified four types of changes to manage to achieve a sustainable competitive advantage: technological changes, changes in product and service, changes in strategy and structure, and cultural changes.

“durable elements in the social life, having deep effects on the thoughts, feelings and behaviors of both individual and collective actors” (Lawrence and Suddaby, 2006), the institutions influence the organizations and make them a consequence of the institutional context they operate in.

It is not possible, though, to talk about something that, as a first step, seems to appear as a sort of institutional determinism; it is either strong the tendency to adopt logics to recognize the organizational homogeneity – and not diversity – in the same organizational field<sup>5</sup> (a figurative space created, because different organizations frequently interact, until the moment they become interdependent) including authorities and institutions operating to diffuse norms and knowledge (Bonazzi, G., 2000).

The initial heterogeneity of the actors operating in the same organizational field tends “inexorably to homogenize” (DiMaggio and Powell, 2000).

As already claimed, the new-institutional thoughts includes well-recognized institutions: the States, the juridical and contractual systems, the supranational organisms, the bank system; these institutions influence the organizational modalities and force the creation of similar structures. It is possible to talk about organizational isomorphism – the tendency to homogenize<sup>6</sup> – when the organizations simultaneously operate, under the same influences, in the same organizational field (Powell, W.W. and DiMaggio, P.J., 2000). This approach offers an alternative vision, and some how more completed and structured, to the contingent approach. Including the institutions and dealing with the tendency to the homogeneity, particularly in the cases of the coercive and mimetic isomorphisms, generates an enlarged organizational analysis able to justify what the companies daily perceive and face.

<sup>5</sup> An organizational field is meant as a set of organizations that, taken as a whole, constitute recognized area of institutional life that carried an uninterrupted action of standardization and control over the activities of other entities.

<sup>6</sup> The first distinction in isomorphism concerns the competitive and institutional isomorphism. The competitive isomorphism is embodied in the natural process of survival of the best organizations. This process tends to exclude the organizations who are not able to compete in an environmental competition. In this context, after the competition, the ones who remain alive are similar organizations. The institutional isomorphism is based on the concept of social legitimacy useful in a highly bureaucratized society; this process makes similar organizations, but not necessarily efficient. In addition, connected to the institutional isomorphism, it is possible to talk about coercive, mimetic and normative isomorphisms. It is coercive the isomorphism due to external pressure to conform to certain parameters. The classic example concerns the imposition of laws, contracts and regulations. It is mimetic the isomorphism that arises when organizations are engaged in imitation processes to reduce environmental complexity, and when organizations emulate more efficient organizations. It will be considered legal, however, the isomorphism that stems from the processes of professionalization, i.e., by the impact that new practices learned in centers of excellence, considered better organizations, have.

The major criticisms to this vision, functional to the conducted analysis, can be seen in the passivity of both the actors and the organizations in front of the institutional frame and in the lack of an analysis of the heterogeneity sources, and not only of the homogeneity ones (DiMaggio and Powell, 2000).

Concerning the first critics, the promulgated absence of determinism, technical or institutional, allow us to either talk about passivity, or simple inactivity, of the organizations towards precise institutional contexts or towards processes of change. In fact, it is simplistic to think that the institutional frame always generates similar organizational designs. It is either true that the organizations, often, are, by nature, reluctant to the change, they perceive it inadequate, inopportune or far from processes of rational learning.

At the same time, inadequate seems to be the mere analysis of the mechanisms producing isomorphisms; instead, an analysis related to heterogeneity factors too, in particular to the environmental resources – both material and symbolic – should be more complete. The structure of the companies, especially in the moment in which they experience an invasive juridical reform, should be considered as the result of a continuous process of mixture of political, social and organizational forces and of adaptation to the environment (Friedland, R. and Alford, R.R., 2000).

Whatever the transmission methods of the institutional influences are (Czarniawska and Joerges, 1995) in the organizational planning, it is undeniable that contextualizing the organization in strong and embedded institutional frames is functional to two main aspects: underlining the main role of the environmental force in the organizational context and, at the same time, moving forward in the idea that the organizations adjust themselves to the environmental pressures – or variables – not only in a static way and according to predetermined processes; they create process of continuous organizational change to respond to the necessity of configuring the structures around models of coherence between environment – institution – and the same organizations (Meyer and Rowan, 1990).

The accuracy is related to the concept of legitimacy, as a perception of desirability, adequacy and comprehensibility of the organizational actions in relation to a series of norms, values and beliefs (Suchman, 1995). Every organization feels legitimated to respond in a precise way to the external stimuli chasing efficiency and using the opportunities to compete and reduce the complexity to become profitable.

### 3. Organization and complexity

The concept of context – environmental, institutional, but, anyway, intended as a projection of an external system – in its dynamic, open and active acceptance, as already stated, influences the way organizations work and the different actors interacting with them through exchange relations. Company's life, especially in their moments of the organizations and adaptation to the external variables, is consciously merged into logics of habitual interpretation of complex facts, of complexity, deriving from the happening of recurring, but related to the case and to states of non-equilibrium events (Miglietta, 2010), caused by the variety of existing inter-connections.

Every problem that arises from the interaction with the institutions, or between different stakeholders with emotions, motivations and desires, in fact, produces complexity (Baccarani, 2010). Modifying the labor conditions, the laws, structuring around networks and knowledge, adding behavioral analysis in the organizational dynamics generate complexity. Furthermore, as dynamic aggregates, the organizations tend to act in a nonlinear manner (Depew and Weber, 1995) and, moreover, they tend to increase the energy, the entropy and the complexity in the internal structures, to be considered in their entirety and not anymore in single elements to reduce their complexity.

Applied to the management, this approach considers organizational principles inspired on the unpredictability and on the abandon of the classical models referred to the reductionism (Pascale, 1992). In this way, the organizations are intended as complex – searching for harmony (Baccarani, 1991) – and adaptive systems, where adaptive has the acceptance of necessary evolution to operate in turbulent and changing environments.

In every moment, it is possible to observe organizational tendencies to produce complexity, to live of complexity and to live in the complexity<sup>7</sup>; treating it as a threat might be simplistic and might not allow to catch that plurality of challenges to exceed to obtain competitive advantage. One of the major managerial issues, in fact, is internalizing dynamic attitudes, expecting organizational changes and tending to the farthest limit of the self-

<sup>7</sup> Producing complexity refers to the themes of choices of production and to all that concerns the relations of production and exchange. Living in complexity refers to the concept that corporate systems are immersed in variables generating complexity such as ex multis, the emotions, the organizational powers, behaviors, attitudes and perceptions. Living of complexity, indeed, refers to the fact that human resources, with their knowledge and imagination, unconsciously expand the complexity every time they interact.

organizations. Using bottom-up processes created without central controls, in the self-organization model, every single resource contributes to the absorption of the complexity (Gharajedaghi, 1999) and to its effective use.

This is a model in which the managers have qualities of shared leadership and they work to create the conditions to cede energy. Not only, though, the managers have a key role; every member of the organization, in fact, must act in a continuous relation to other members, must share culture and languages, and must create the basis to manage the complexity in a perspective of self-motivation (De Toni, 2010).

In this field, the self-organization becomes the ability to react without using hierarchies or rigid coordination mechanisms, the tendency to cooperate between groups in a flexible way, and the general commitment toward the evolution of behaviors and interactions (Vicari, 1998), in opposite of what might appear as a sort of *laissez-faire* management.

Including the environment – *latu sensu* – and the complexity – as a premise – in the organizational analysis means analyzing external variables, institutional frames and complex dynamics in a perspective of connection, sharing and continuous re-configuration.

An organizational change made to deal with a threat, to adapt to a standard or to exploit better emergent conditions is managing the complexity, observing the environment and creating the structures on the basis of surrounding institutions means facing the emergent complexity and trying to transform it into opportunity, offering trainings to the human resources to do more tasks or, simply, to use a new technology means reacting to an environmental change with a growing complexity.

A good manager is the one who can recognize the unpredictability, implement actions aimed at reaching the harmony and manage the behavioral variables of the human resources part of the organization. Acting in this way is managing the primary – and sometimes unknown – needs to manage the complexity and the complex systems.

### 4. The Italian Jobs Act

In the last years of the Italian political and economical history, the environmental and institutional variables, intended as multiplier of the complexity, but at the same time as a prerequisite of the organizational analysis, have been the reason of constant modifications of the condition that every organization must consider to appropriately operate.

Deep and radical changes in the current regulation of the labor law, in fact, have been generated to impact directly on the corporate activities in the moment of their organization. With the objective of creating new opportunities through a process of liberalization of the labor market, new ways to conceive the internal and the external relations have been created, and new challenges emerged for the companies in the need of modifying solid disciplines.

The legislative modifications have generated the necessity to re-adapt the organizational structures and, in a particular way, to re-modulate the relations with the human resources to select, available and, at the same time, to manage the structures in complex markets.

What has been defined “Jobs Act”, a corpus<sup>8</sup> of Laws and Legislative Decree that since the end of 2014 has defined new rules and new technical-organizational scenarios, has generated deep changes in the Italian labor legislation, influencing the way to organize it from the company’s side, and living it from the worker’s side.

Among all the changes provided, hereafter, only the ones directly affecting the organizational side will be brought, overlooking the news of mere labor law interest.

Generally speaking, the major interventions have been brought about the active and passive policies of the labor, to the discipline of the labor relations and to the conciliation between the needs of life and work.

First of all, a new and innovative discipline for hiring is provided: an employment open-ended contract with “growing protections”, preferred to the contract of temporary work – from now on of at most 36 months – is introduced. The substantial difference with the previous same category is in the termination – layoff – discipline: highest flexibility, in fact, is given in the cases of economic and disciplinary terminations.

The worker, and this is the concept of “growing protections”, has the right to obtain an economic compensations that increases with the growing of the seniority. Furthermore, another new is in the tendency to avoid disputes between apparently opposite parts. In fact, a conciliation between employer and employee is offered: the employer offers a tax-free reimbursement equal to a month of salary for each year of work and the employee does not contest the termination.

One of the major news regarding the labor contracts, however, seems to be the abolition of the coordinate and continuous collaborations – with projects – used

and abused from every company. These contractual forms have been abolished to prefer the already applied norms of employment. Furthermore, the discipline of the apprenticeship becomes simpler, and the costs to use this contract decrease.

From the workers’ side, further changes are about the economic support to those who lose the job: a new unemployment compensation called Nاسpi – Nuova prestazione di assicurazione sociale per l’impiego – of € 1.300,00 per month is given in the case in which the employee has collected contributions for at least 13 weeks in 4 years, as long as he participates to concrete initiatives of working activations. These activities are managed from the new Anpal, Agenzia Nazionale per le Politiche attive del Lavoro, and tend to create new competencies in the worker.

The parental leave, with the new rules, can last until the sixth year of the child and it offers a partial salary of the 30%. Instead, there is no salary for the parental leave from the sixth to the twelfth year of the child.

The workers can be brought to lowered tasks with direct effect, keeping, though, the salary and the legal placement, in case of organizational corporate variations.

From side of the companies, the unemployment insurance is limited to 24 months, but it is extended to the companies with more that 5 employees. Another change is the discipline of the distance controls of the workers. The companies can give the workers telematic instruments to monitor the activities, without signing agreements with the labor unions and without having the ministerial authorizations. The workers, though, must be informed and must know the information policies.

The discipline of the part-time jobs changes. The concept of organizational flexibility is introduced, therefore, the employee with an “horizontal” part-time contract can be asked, and the he/she must accept, to extra-work for a highest amount of the 15% more of the hours stipulated in the contract behind an increase of the 15% of the salary. In the “vertical” part-time contract, instead, behind the same salary increase, the hour increase can be of the 25%.

Although it is not complete, these modifications make us understand the importance of the reforms. Modifying the discipline of the labor implies, for the companies, to rethink about the organizational models used to manage differently the human resources.

The Jobs Act forces the organizations to build leaner organizations of leaner managerial styles: the greater guarantees in the cases of termination and the possibility to lower the tasks are two examples of how the top management varies the organization of the human resources with extreme simplicity. Extending

<sup>8</sup> For greater scientific completeness, please refer to:  
Legge 10 dicembre 2014, n. 183;  
Decreto legislativo 4 marzo 2015, n. 22, 23;  
Decreto legislativo 15 giugno 2015, n. 80, 81;  
Decreto legislativo 14 settembre 2015, n. 148, 149, 150, 151.

the unemployment insurance to the companies with more than 5 employees increases the use – or abuse – of it toward an extended audience, while it has been conceived as an *extrema ratio*.

For the workers, instead, the possibility to re-qualify, and the possibility to gain new competences is the opportunity to realize the flexibility, and to activate important actions to grow, and to develop in the organizations, whatever it is.

Companies and workers are forced to constantly acquire competences: this seems to be the central idea of the reform. Even if the economic guarantees in the cases of termination have been raised, and if the norm tends to go toward open-ended contracts, the companies must create processes of continuous training to guarantee the possibility to perform more tasks and have more roles. This organizational vision is in line with the classical precepts of the above mentioned flexible organizations, able to reach the limit of the self-organization.

Conceived as aids, these variations impose the necessity to comprehend the institutional reforms and, consequently, react to find the right way – fit – to reorganize the jobs from the internal. The impact of the Jobs Act on the general concept of job design, intended as act of planning roles, tasks and jobs of the workers (Costa, 2013), is undeniable. The Jobs Act influences the modalities and the dimensions – technical, economic and behavioral – to observe to solve the problems and to plan the activities in a profitable perspective.

The processes of learning, together with its modalities, is the fundamental variable guiding the transformation and, in this sense, the Jobs Act seems to force to investments extending it.

The result could be the implementation of those type of organizations, theoretically imagined and defined “ambidextrous” (Benner and Tushman, 2003), aimed at reaching the exploitation – the activity implemented in a repetitive way, and the exploration – the activity implemented to learn and to test errors.

The new laws decrease the perception of extraordinariness of the incurred costs to train the human resources to tend to the flexibility, and to avoid the entering the organizational chaos.

A worker with diversified tasks and with elevated asset in terms of knowledge, implicit objective of the Jobs Act, could perceive a higher variance of his/her jobs tasks and a different knowledge specificity (Grandori, 1999), variable to consider to increase or manage, at least, the job satisfaction. If the job tasks’ variance raises, in fact, the unexpected accidents and the hesitations raise too; this process could negatively

affect on the workers’ knowledge specificities, critical quality of the high level workers. Furthermore, modifying these levers could affect the satisfaction and the motivation in a negative ways. Increasing the knowledge and the training processes of the worker, though, has the implicit goal to manage this negative processes, to create awareness and to avoid the reduction of the satisfaction, of the motivation and of the commitment.

From the organizational perspective, the Jobs Act pushes toward the same concept of flexibility<sup>9</sup>, intended as a way to react to the rigidity of the structures and of the processes of the Italian micro, small and medium enterprises, almost the totality of the national companies<sup>10</sup>.

The integrate approach of the regulatory intervention seems to have its general goal in the management of the contingent and institutional factors, as the end market, the labor market and the technology. Absorbing these factors means to manage the complexity and rationally organizing the work, basing it on the persons and not just on the tasks anymore.

This approach pushes the companies to exceed the engineering concepts of job design and to adhere to the organizational logics based on the knowledge and on the knowledge workers, intended as informed workers able to use the knowledge as a reaction to the contingent.

After the Jobs Act, the companies are obliged to define their relations with the markets, and with the labor discipline itself; at the same time, the workers must create new relations with the companies, because they’re no longer protected by legal guarantees non-aligned to those of the major European economies. The organizations must guarantee formative paths of professional asset development to generate potential occupation and they must distribute economic benefits connecting them to the time worked.

The reinterpretation of the flexibility with the Jobs Act has strong institutional implications: no only, in

<sup>9</sup> From a recent survey of Censis - Centro Studi Investimenti Sociali - on businesses, welfare and social responsibility, it has emerged that 49% of Italian companies, to March 2016, use flexible forms regarding to working hours. This data, significantly increased, tends to align with those of the major European economies: in France it stands at 51%, Spain 55%, Germany 58%, in Denmark and the United Kingdom to 70% in Finland and beyond 83%.

<sup>10</sup> The Italian economy is, largely, made up of micro and small enterprises. Using the dimensional parameter related to the number of present employees, micro businesses – firms with fewer than 10 employees – correspond to 95% of total Italian enterprises; small businesses – firms with a number of employees between 10 and 50 – correspond to 4%. In terms of employment, micro and small enterprises account for about 67%. Micro enterprises occupy about 47% of the active workforce; small businesses employ about 20% of the active working population. In any case, the Italian companies have an average size, in terms of employment, of 3.8 employees.



fact, has it been talked about flexibility from the labor law point of view – the rules – but it has been debated in the perspective of the creativity, of the knowledge and of the ability of every employee to use flexible models directed to organize and improve the performance. The modified dimension of the flexibility is the company's deepest one, the one connected to the organization and to the institutions. The interests touched with the Jobs Act are related to the structures, the systems of planning and control, and to the processes of management, evaluation and organization of persons. In this frame, the necessity to create a performance management system to guide the actions is strong; a shared rewarding system with the objective of stimulating a positive – and not negative – competition between workers.

The effects on the organizations of the structures and of the human resources are countless and, in this sense, the need of the managers to operate through shared leadership is even stronger. The interventions tend to eliminate the hierarchies and to increase the commitment. The Jobs Act wants to reach the “empowerment” of the employees and this is only possible through a full comprehension of the environment and through a liberalization process of knowledge and of exchange of it at every level (Piccardo, 1995). From the institutional point of view, the Jobs Act affects the different levels of negotiations, as the new norms are only applied to the contracts signed from January 1<sup>st</sup>, 2016<sup>11</sup>. The impact on the control discipline and on the occupational safety is strong, but not radical. The Jobs Act, in fact, modifies the penalty rules, if the occupational safety is not respected. Concerning the distance controls, instead, the changes can have repercussions on the perception of the worker's privacy.

## Conclusion

The analysis conducted in the present study has shown the lack of proper and clear practical border between contingentism and institutionalism, in its “new” version. Dealing with a legislative, institutional reform, and with its impacts on the internal corporate organization implies the complete examination of the themes studied.

Among the various concepts provided, in the incipit, the idea, supported by pioneering concepts, that the organizations have the strength to remain in a state of general equilibrium thanks to feedback systems, keeping exchange processes with the environment, has been provided. The concept of homeostasis adheres to the logics of continuous and necessary

interaction with the external, strong and open systems. In fact, the organizations must adequate to the systems to keep, or expand, market shares and to reach the possibility to take advantage of the imposed variations, not to perceive anymore as obligations. Furthermore, the organizations tend to preserve the status quo, because it is perceived safer and less complex to manage. The possibility – intended as probability – that such reforms impact on the organizations is high, as well seems to be the possibility that the companies set up around a sort of mimetic – imitational – or coercive – forced by, for example, the law – isomorphisms. At the same time, the analysis of the external variables can be seen as the necessity to consider all the variations and react in a quick way.

Every organization must find the right “fit” and must control the uncertainty of the external pressures, protecting and safeguarding the internal nucleus – the technical nucleus that constitutes the basis of the organization. This principle, starting from the fortunate theme of the uncertainty control as organizational logic (Thompson, 1969) perfectly matches to the logics of management and use of the complexity. Obtaining a consistent profit becomes, in this field, secondary and, somehow, an innate consequence of actions aimed at understanding what the complexity generates and how to manage it. Being extremely flexible and ready to re-organize, or using “high level cultural systems” (Grandori, 1995) becomes the only possible certain answer to contemplate, and internalize, upline in the organization.

Concerning the possibility to uniform, almost involuntarily, around preexisting models, it is easy to understand that, somehow, this type of analysis lacks that dynamic force of every organizational phenomenon. It is reductive to think that the organizations only use static model. The critics to these thesis, fully shared by the writers, starts from the premise that the ideas do not spread by diffusion (Czarniawska and Joerges, 1995). Derived from the medical contexts, this concept does not adhere to the sociological logics – prerequisite of the organizational ones. The concept that better describes the diffusion of ideas, and of the consequent necessity to adequate to different organizational standards, is the the translation: every idea is transmitted and travels through persons that, inevitably, ends by changing it. The translation is the result of a process of interpretation, reformulation and connection with other ideas; it is what happens in the open to other variables system (Bonazzi, 2008).

The organizations follow the institutional context, but they interpret the environmental phenomena too, and they internalize them through processes coming

<sup>11</sup> A recent judgment of the Supreme Court stated, however, that the new legislation is applicable to all contracts concluded from 25 June 2016.

from the culture, from the knowledge, from the values, from the perceptions and from the degree of openness. The higher will be the managerial intelligence<sup>12</sup>, the better will be the ability of the companies to governate the micro-cosmos made of company and environmental threats/opportunities (Baccarani, C., 2010).

Sometimes, not only the institutions push to the organizational isomorphism. The trends – styles – although, apparently, far from the institutional logics, can have the same effect of the imposed legislative variations (Czarniawska and Joerges, 1995); it can happen that the trends affect the choices of the institutions and, at the opposite, it can happen that a norm creates the basis to build a new and diffused managerial model. The idea of the intimate relationship between company and environment is to interpret in a univocal way: company and environment evolve together and they grow with exchanged relationships of information and necessities. The adaptation and its deriving forms will be, in this context, intended as natural reactions to diversified needs: the institutions will pay attention to the needs of the companies; the companies will change once facing the variables. If these type of processes will be created, the companies will not think about changes as negative ties; the change will generate opportunities in the mind of the entrepreneurs able to catch them, and able to implement flexible organizations, where the concept of adaptation is rooted in every employee's mind. This process of mutual influence, almost circular, presses the companies to use the levers of the governments to face, manage and take advantage of what appears as emerging complexity.

The case of the Jobs Act is exemplary.

The new corpus of laws, created after the reforms, pushes towards flexible organizations and towards models of work, until now, barely used.

“Suffering” a reform of such magnitude has meant, for companies, considering a number of variables aimed at generating opportunities. The institutionalization and absorption of this reform should be almost predictable concepts, since it is to impose reforms from above that will inevitably fall on a myriad of companies and workers.

Although the Jobs Act has suffered many critiques regarding its degree of goals' achievement<sup>13</sup> (Fana,

<sup>12</sup> “The managerial intelligence is the cognitive, emotional and social ability with which the management aims to ensure the governability of an enterprise system with growing complexity”.

<sup>13</sup> ISI Growth working paper, Iss.5. Through the use of “detoxified” data, the study refers, the analysis reported a low level of achievement of objectives in terms of increased and stabilized employment through the proclaimed liberalization of the labor market. The Jobs Act, according to the study, did not work and did not generate any different performance from the ones that other reforms have historically made.

M., Guarascio D. and Cirillo, V., 2015), the last official data<sup>14</sup> of ISTAT – Istituto nazionale di statistica – referred to the job offer have shown positive effects in terms of occupational increments and, consequently, decreases in the unemployment rates, especially the one connected to the employment of young resources of the south of Italy, macro-region with old problems.

The fourth trimester of 2015 has seen a significant improvement of the job's market indicators and a consequential increase of the permanent and full time working positions.

Compared to the same period of last years, this increase consists in the 0.7% in the industry and in the 1.2% in the private services; the use of the unemployment insurance is reduced, and the overtime work has remained stable. After seven years, the unemployment rate is reduces of 0.8 points, and the occupation has registered a significant increment. The average hour retribution has grown of the 0.8%, compared to the one of the same period of the 2015.

In any case, this increment happened in the male occupation, increasing the gap with the female one. The south of Italy benefitted from these circumstances: there have been hirings, and the competitiveness of the companies increased. For the first time, it is possible to see a way out of the crisis, at least, in the trust of coming out of it. The investment in the human resources management enhanced, and it seems to be the use of the hiring grants. Everything is aligned to the objective of the norms. It must be underlined that the almost decennial economic national and international crisis, even in the moment of the corporate organization, have not been completely solved. In the immediate time, a series reform makes a solid base to begin, anyway. The Jobs Act is achieving the desired effects and this suggests that the organizations are showing a sort of adaptation to deep institutional changes. In their organization, companies are adapting to what the environment – *latu sensu* – is dictating and they are unconsciously managing and exploiting the complexity. Certainly, managers, with what has been previously defined as managerial intelligence, have grasped the scope – proactive in the spirit – of the proposed reforms; at the same time, though, in the process of co-evolution of the environment, sectors and enterprises, it seems impossible to rule out the analysis of the difficulties that characterize the general economic situation.

The companies have not hired, have not stabilized the one already present and did not generate a huge amount of contracts to justify the locution “job creation”.

<sup>14</sup> Cfr. “Il mercato del lavoro. IV trimestre 2015”, Istituto nazionale di statistica, March 10<sup>th</sup>, 2016.

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