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Academy on Social Dialogue and Industrial Relations

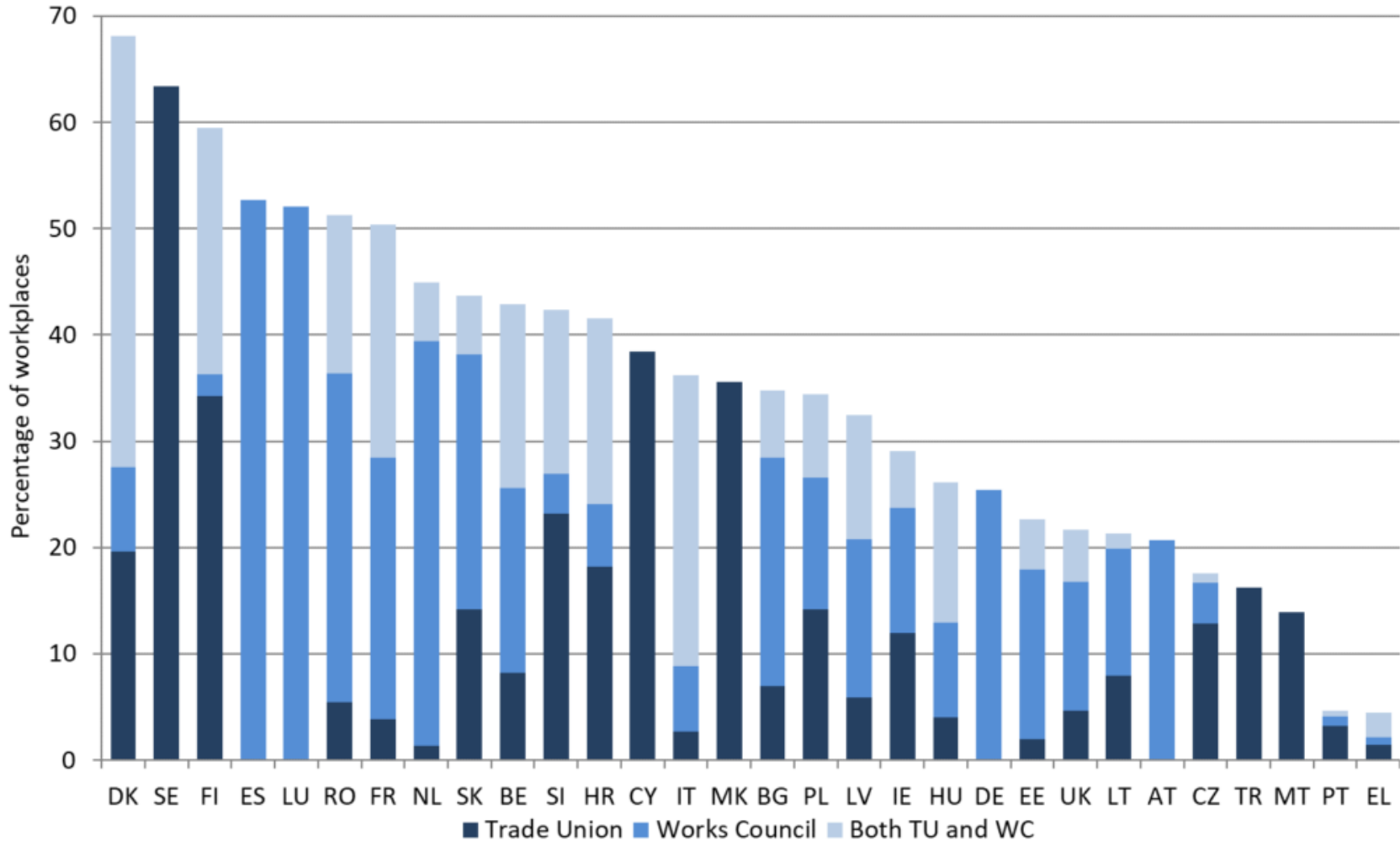
Turin, Italy • 26 November 2018 – 07 December 2018

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“Social dialogue at the workplace”

High differences in work place representation in the EU

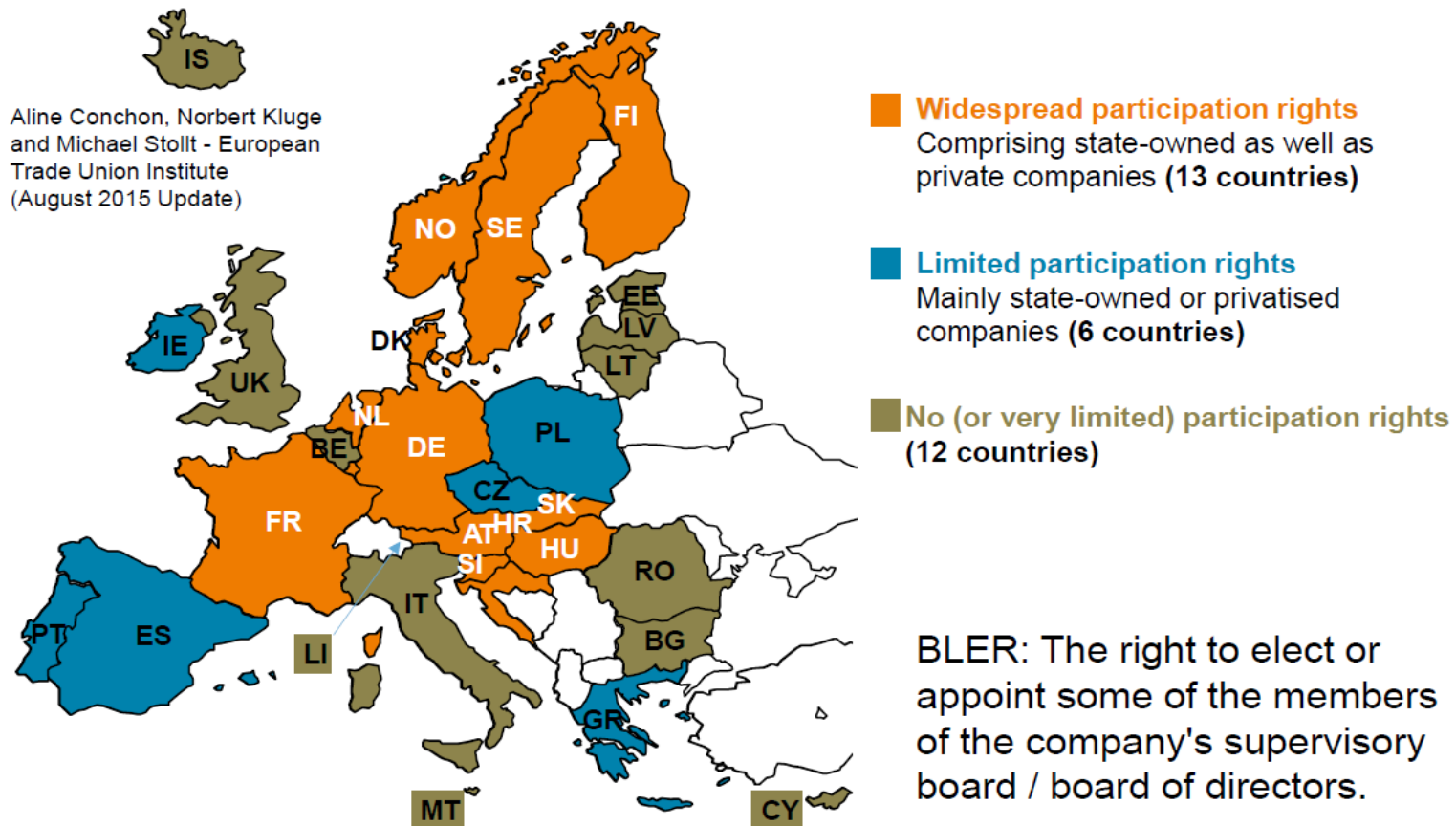
(data from 25 000 work places)



J. Forth/ A. Bryson /A. George, ["Explaining cross-national variation in workplace employee representation."](#) *European Journal of Industrial Relations* 2017

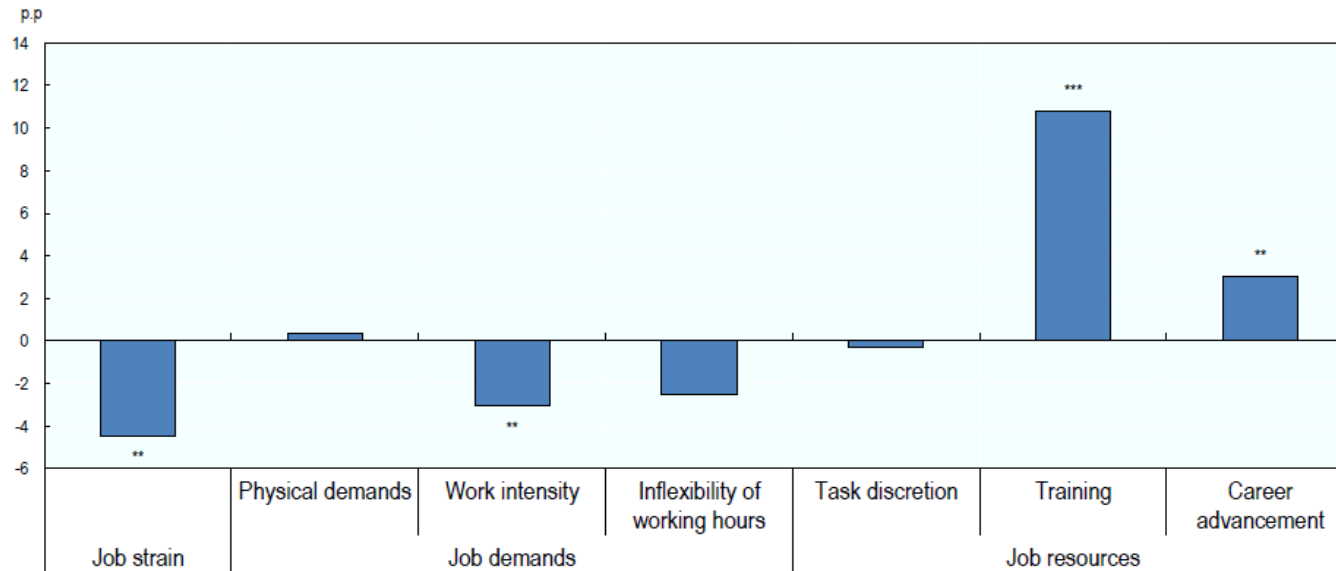
Codetermination at company level- wide variety in EU

19 out of 31: board-level employee representation (BLER) in the EEA member states



Positive impacts of work-place representation on working conditions

Difference in job strain (or its sub-components) compared with the absence of employee workplace representation



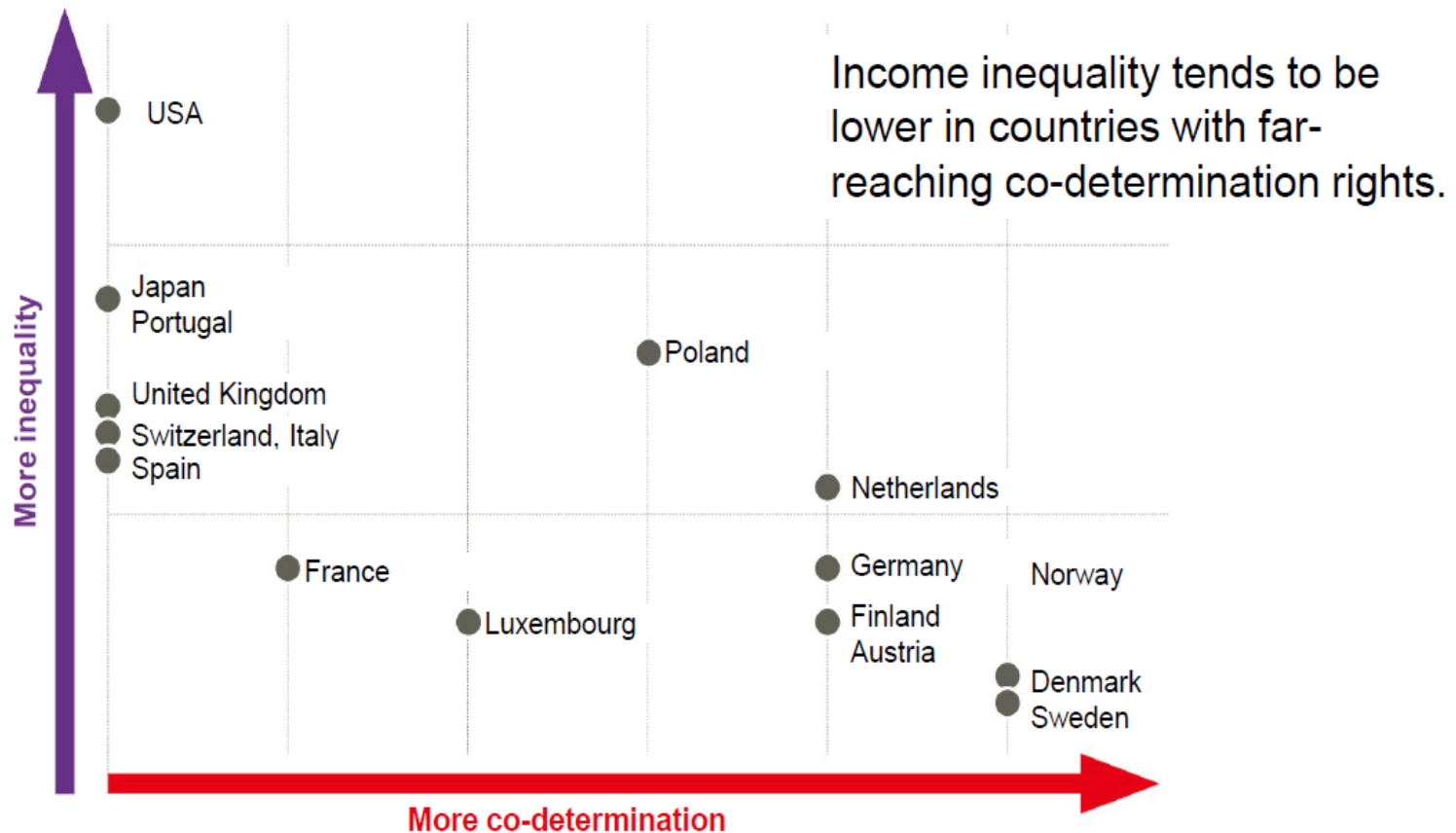
Note: ***, **, *: statistically significant at the 1, 5 and 10% level, respectively. Results are based on Ordinary Least Squares (OLS) regressions. They control for age, education, gender, type of contract, occupation, job tenure, establishment size, industry and country dummies. p.p.: percentage points.
Source: OECD calculations based on the Sixth European Working Conditions Survey 2015.

The **quality of the working environment**, as measured by the OECD/G20 Job Quality Framework, tends to be **higher in firms with a recognised form of employee workplace representation** (for example a local trade union or works council)

Source: OECD 2018, Employment outlook, Paris

Lower income inequality in countries with far-reaching co-determination

Income inequality and co-determination (at board level) in



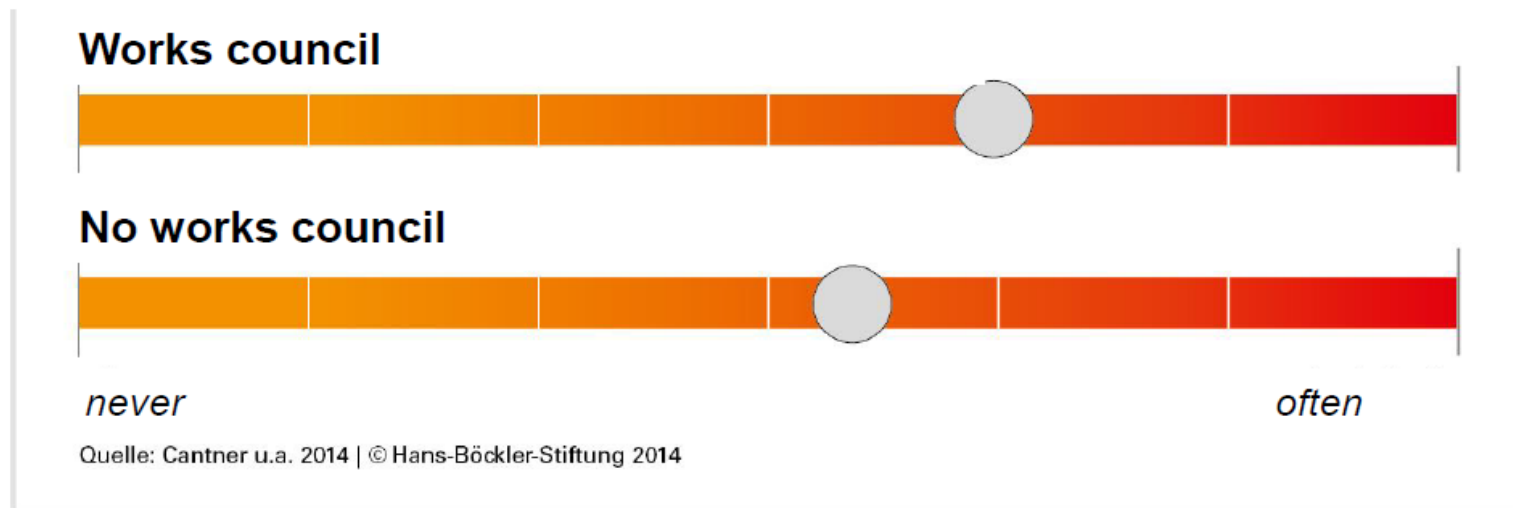
Income distribution based on the Gini-coefficient; degree of co-determination according to 'Co-determination Index'

Example I: German works councils (WC)

- **Can be elected in companies with 5+ employees: in practice share of WC's increases with size of companies**
- **Protection of WC against dismissals and provision of resources (time off or release from work, paid training, office, access to consultancy and recruitment of experts)**
- **Strong rights of co-determination** for example on: overtime, commencement and termination of the daily working time, distribution of working hours among the days of the week, social plan, assessment criteria, staff movement and dismissal, enforcement of labor laws and CA's.
- **Rights of consultation and information:** for example on economic development, human resource planning
- **Practice:** active and less active WC's, close cooperation with unions crucial, high trust in WC's

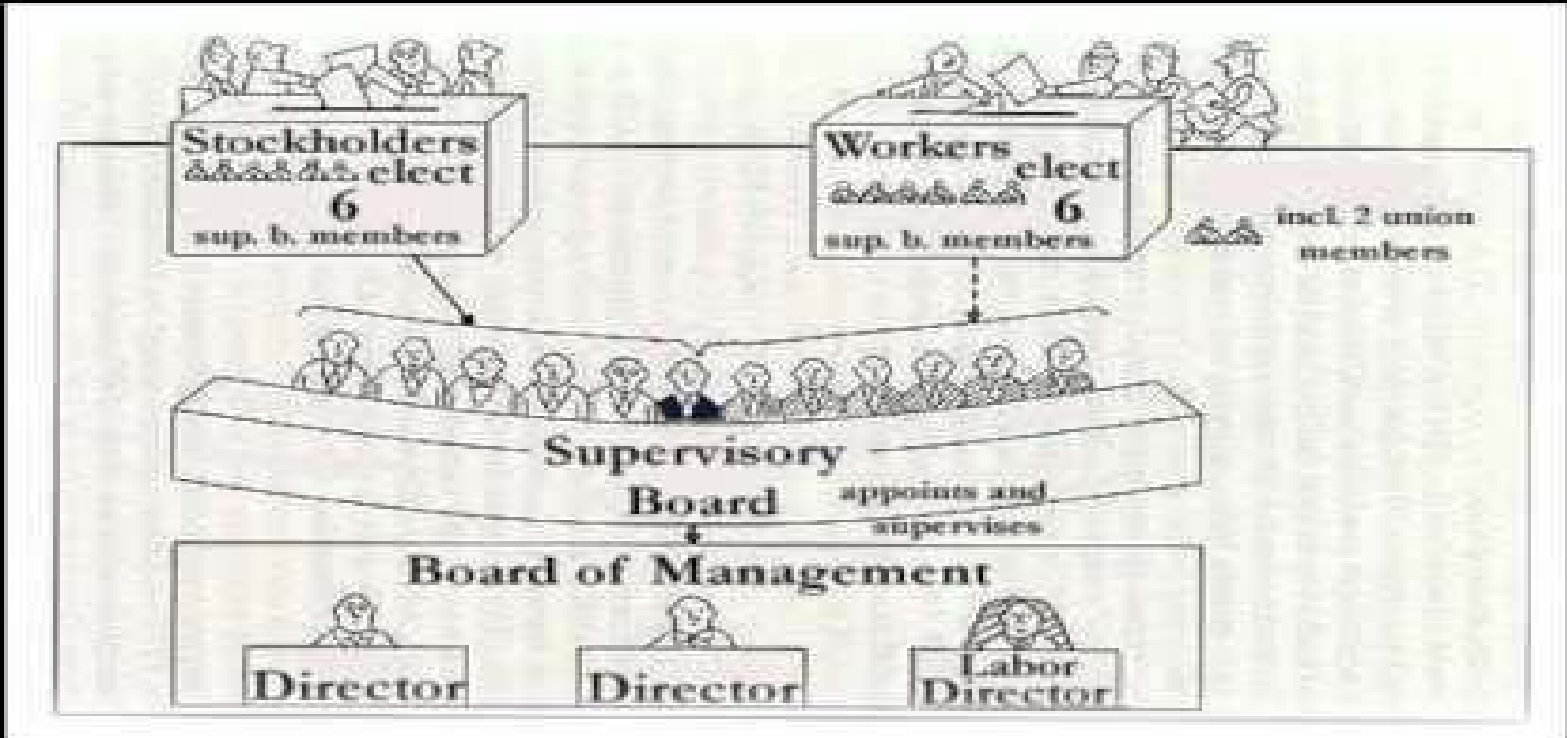
Positive impact of German WC's on training

Training offers in companies



Companies with a works council are more concerned about the training of their employees, at least when it comes to general skills.

Example II: German codetermination in supervisory boards



Example II: German codetermination in supervisory boards– links within WC's and unions crucial

WORKPLACE: Works councils

**Workplace
information,
consultation and
co-determination
rights**

workplaces with at
least 5 employees

COMPANY: Supervisory board (SVB)

**Co-determination at
board level**

(board-level employee representation)

if >2000 employees,
50% of SVB seats
if >500 employees),
1/3 of seats

COLLECTIVE PARTICIPATION: Trade unions

**Negotiate collective
agreements**

Cooperate with works
councils

Have seats on the
supervisory board

Example III: Swedish workplace and board representation

- **Workplace representation through the local union at the workplace. Legislation requires the employer to inform and negotiate with the unions at the workplace before making major changes, and many of the practical arrangements for doing so are left to local negotiations.**
- **Employees are represented on the boards of almost all companies with more than 25 employees (Sweden has a single-tier board system.) There are two or three employee members and they account for around one third of board members in most companies. They are chosen by the union and are generally the key figures in a whole range of employer-union relations.**