

Problems and practices with worker participation in SEs

EWPCC Conference:
SEs in Stormy weather

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Labour Research Department

Initial comments

- I am not the expert – you are
- Plan to talk about the situation in SEs already set up – not about negotiating agreements
- Information largely drawn from Eurofound study on 10 SEs
 - *“Employee in companies under the European Company Statute”*
 - Allianz, BASF, Elcoteq, Equens, Fresenius, GfK, Hager, MAN, Scor, Strabag



What is different about SEs as compared to EWCs?

- Initiative must come from employer not union
 - Means some workforces may be forced into it
- Shorter time to negotiate
 - 6 or 12 months at most not 3 years
- But major difference is opportunity to have employee board level representation
 - But only where it existed before



Operation of SE works councils: basic details

- Size of SE WC ranged from 37 (Allianz) to 5 (Equens) but most had around 20 members
- All had select committee with between 2 (Equens) and 9 (MAN) members
- All except Fresenius meet at least twice a year, plus exceptional meetings
- Select committee meets more frequently



Operation of SE works councils: relationships between members

- Language problems
 - Not just in formal meetings
- Differences in culture of industrial relations
 - Germany: consensus; France: conflict (?)
- Difference in experience with structures
 - Some countries have no works council tradition
- Home country advantage
- Real conflicts
 - Plants in competition



Operation of SE works councils: relationship with management

- Provision of information
 - On time, in sufficient detail and relevant
- Effective consultation (and negotiation)
 - Able to make proposals
 - Able to influence outcome
 - Able to reach agreements
- Independent initiatives
 - Example: framework agreements



Operation of SE works councils: relationship with union

- Not all SE works councils have union involvement
- In some cases union expert will come from national union, in other from European level
- Varying views about value of union link



Operation of SE works councils: relationship with national/local level

- Can provide additional information
 - But depends on information being passed down
- Allows local bodies additional influence on decisions
 - But depends on concerns being passed up
- May strengthen local representatives
 - Perhaps can call on support from SE level
 - Perhaps new structures have been set up
- But home country representatives may feel SE works council is not relevant



Board level representation: basic details

- All but SCOR have two-tier boards
- 7 out of 10 have employee representation at board level (including SCOR)
- 5 have equal number of employee and shareholder representatives on supervisory board
- 6 now have non-national employee board members (SCOR is exception)



Board level representation: comparison with past

- Powers of SE boards may not be same as those of bodies they have replaced
 - Example: appointment of management at Allianz
- Loss of previous national representatives
 - Supervisory boards are often smaller
- Loss of clear lines of communication with local representative bodies
 - No structure in many countries



Board level representation: new countries involved

- Different levels of experience
 - Board level representation new to many countries (also likely to be in minority)
- Board-level representation is contentious issue in some countries
 - “Workers should not be involved in management”
- Problems of confidentiality
 - A potential clash with keeping members informed



Questions for further discussion: 1

- How have you resolved problems of relationships among members?
 - Language, culture experience but also home country and practical problems
- What is relationship with management?
 - Do they inform and consult, can you negotiate, take the initiative?
- What is the relationship to the union?
 - Who is it with and is it any good?



Questions for further discussion: 2

- How does the relationship to local/national level work?
 - Are they informed, can they influence, does SE give them support, is SE seen as relevant?
- Board level representation now
 - Does it work as well as in the past?
- Board level representation for new countries
 - Do old countries dominate, are new countries convinced of its use, what happens when board members get bad news about their own countries?



Two types of answer

- In your own practice
- Through legal changes
- Thank you and over to you

