

STUDY

No. 17 · January 2019 · Hans-Böckler-Stiftung

WORKS COUNCILS IN GERMANY AND THE NETHERLANDS COMPARED

An explorative study using an input-throughput-output approach

Annette van den Berg, Yolanda Grift, Saraï Sapulete, Wolfram Brehmer,
Martin Behrens and Arjen van Witteloostuijn

ABSTRACT

This study provides information on the co-determination practices of German and Dutch works councils. We present the findings of two large-scale works councils' surveys in each country. Where do works councils in Germany and the Netherlands show similarities and where do they show differences? To address this question our study investigates practices of employee representation within the private sector in both countries. By employing an input-throughput-output approach we pursue a detailed analysis of works councils' structures, practices, as well as the outcomes of interest representation. While previous studies, mostly by way of comparing formal institutions, consider works councils in Germany and the Netherlands to be fairly similar, our analysis finds some remarkable differences.

Content

| | | |
|----------|--|-----------|
| 1 | Introduction | 3 |
| 2 | Data description | 4 |
| 3 | Descriptive and comparative results | 5 |
| 3.1 | Inputs | 6 |
| 3.2 | Throughputs | 13 |
| 3.3 | Outputs | 27 |
| 4 | Conclusion | 33 |
| | References | 35 |

1 Introduction

In the summer of 2014 an online survey was conducted among a large number of German and Dutch works council representatives, active in all sectors of the economy, both in small and in large organisations. Exactly the same questions were asked of all respondents in both countries, enabling academics to contribute to cross-country research in the field of worker participation at establishment level. This endeavour was initiated by the Institute of Economic and Social Research (WSI), an academic institute within the Hans-Böckler-Foundation.

In this online publication we want to inform the readers about the outcomes of this two-country survey: in what ways do works councils (henceforth: WCs) in Germany and the Netherlands show similarities and differences? In comparative research regarding industrial relations (IR), Germany and the Netherlands are always situated in the same country cluster, mostly based on the far-reaching legal rights that worker representatives enjoy in both countries (e.g., Streeck 1995: 342; Visser 1995: 79-80; Visser 2009; Van Gyes 2016). Next to information and consultation rights, German and Dutch works councillors are endowed with the right of consent, giving them veto power in a range of social issues.

In the existing IR literature, the criteria for clustering countries are usually linked to indicators pertaining to the national (aggregate) level, such as union density rate, collective bargaining practices, legal rules, forms of social dialogue and the like. Instead, the WSI survey focusses on Dutch and German WCs at establishment level. Assuming a rather large similarity in formal, national-level institutions, we dive into the actual practices and relationships that characterise employee representation in German and Dutch private sector organisations, to discover the similarities and differences between the two. In doing so, we follow the (sociological) approach by Dufour and Hege (2013) who convincingly argue that to compare and evaluate workplace representation one should not only look at legal (national) rights but one has to consider local, informal procedures, relationships and behaviours as well.

To avoid a mere static description of the dataset we present our findings by means of an input-throughput-output approach, stirred by Kim et al. (2015), who apply Dunlop's general system theory. At a macro level, they distinguish between input (actors and all kinds of regulations in the field of IR), processes (interactions between the actors involved, such as social dialogue, method of wage bargaining) and output (labour productivity, strikes, income distribution, to name just a few). We have translated that macro approach to our establishment data at the micro level. We start by looking at the composition of the German and Dutch WCs and the facilities with which they are endowed. These aspects form the 'inputs'. Then we proceed by zooming in on the 'throughputs', which are the processes in which the WCs are involved: how and with whom do they interact and communicate? What are their main points of interests, are there differences of opinion? Subsequently, several 'outputs' will be studied: to what degree are WCs involved by management and do they think that they can actually influence

management's decision-making and have an impact on organisational outcomes?

Thanks to the availability of this unique sample containing information from approximately 1,000 German and 500 Dutch works councillors on a wide range of issues, we can look inside the black box of employee representation and investigate features that are usually only accessible in case study materials but not in large samples. In most existing larger company surveys the respondents are representatives of management, which makes our sample with only employee representatives special. We focus on the actors, their mutual relationships, procedures and core activities, to establish how German and Dutch WCs compare. This explorative study aims to establish the basis for further empirical research in which the effects of these characteristics can be further explained.

In the following, we proceed as follows: We first elaborate on our dataset, after which the most relevant descriptives are presented and interpreted. We will summarise our main findings and conclude with points for further research.

2 Data description

The online survey was held between June and September 2014 among initially 1,700 German and 954 Dutch WC chair persons and secretaries, active in all sectors of the economy, both in small and in large organisations. For the German respondents, we approached a sample of WCs, of which e-mail addresses were available at the Hans Böckler Foundation, which is an institution financed by the German Trade Union Confederation whose tasks include promoting codetermination. In the Netherlands, we used the Mezzo address file, managed by the committee for promoting codetermination, containing Dutch WCs that followed training through the GBIO funding in the past.¹ Next to that, we aimed at reaching Dutch WCs through newsletters on works council platforms.

Since the selection of addresses in both countries is not a representative sample of the population of all WCs, the two subsamples may not reflect the real populations. Therefore, we only use weighted data (post stratification weights for company size and sector). The weights for the German sample were calculated using data from the IAB Establishment Panel 2014, those for the Dutch sample using official statistics (CBS 2014). By applying weighting, the impact of the underrepresented organisations becomes larger whereas the impact of the overrepresented organisations is downsized. If, however, the organisations that are underrepresented in the sample are atypical, this weighting procedure magnifies that particular derogation and may therefore lead to wrong conclusions. That would be an argument against weighting. On the other hand, if weighting is not applied, the impact of the overrepresented organisations becomes too large compared to the

¹ Mezzo = Digital information system especially for Dutch WCs and GBIO = (former) Dutch training fund for employee participation.

population. We have strived to find a balance between the two evils by calculating a weight variable for organisations with 50 or more employees, based on the combination of size and sector in society. All the following tables presented in this article show weighted means and distributions. In addition, we performed Chi squared tests that are based on the per country weighted numbers for categorical variables, although in the tables percentage distributions are shown. We will mention the outcomes thereof where relevant but can already reveal that there is usually a significant difference.

The number of completed surveys was 1,138 in Germany and 638 in the Netherlands, although not always all questions were answered. Our sample was further reduced owing to the following two considerations: Firstly, three sectors of the economy have been dropped; 'agriculture' and 'extraterritorial activities' due to too few observations in both country samples and 'public administration' because of too few observations in the German subsample. Secondly, we discarded all observations belonging to organisations with fewer than 50 employees, which is the official legal threshold for Dutch organisations to install a WC (in Germany, WCs can exist in companies with five or more workers). Ultimately, this implies that our maximum number of usable observations is 969 for Germany and 518 for the Netherlands.

Most questions in the survey are identical in both countries (in both languages), which has been double checked by first developing the questionnaire in English before translating it into German and Dutch, and back again into English. Only in a few cases did differences in legal rules or extant practices require some questions to be phrased differently in the two languages. We will henceforth refer to the data as CWCS (Comparative Works Council Survey).

3 Descriptive and comparative results

Inspired by Kim et al.'s (2015) use of Dunlop's general system theory and influenced by Dufour and Hege's (2013) findings about which factors determine the effectiveness of a WC at the local level, our point of departure is a framework consisting of input-throughput-output variables measured at establishment level in Germany and the Netherlands. Consecutively, we will first analyse and compare the 'inputs' in the two country settings containing the characteristics and facilities of the WCs and their organisations. This is followed by a comparative analysis of the processes (throughputs) related to the actors involved in and around the establishment, focussing on the kinds of relationships and various aspects of communication among the stakeholders. Finally, several 'outputs' in the two country settings will be compared that relate to successful exercise of representation: to what degree are works councils involved by management and do they think that they can actually influence management's decision-making and organisational outcomes and if so, in what way?

Below we start out by identifying the inputs in the two countries from the outset, regarding several observable objective characteristics with respect to the people, organisations and procedures involved.

3.1 Inputs

3.1.1 Demographics

The survey addresses several features of the WC members in these organisations, among which being demographic characteristics and information about works councillors' education level, and union membership. Table 1 gives the overview of the demographics per country sample. From this we infer the following:

The average number of total WC members per organisation, as well as the percentage of female WC members, is almost the same in both countries. The German figures correspond with those from another WSI dataset from 2015 (Baumann et al. 2017), while the Dutch figures are comparable to those found in the European Company Survey from 2013 (Eurofound). The age division of WC members is also rather similar, although the percentage of middle-aged WC members is slightly lower in the Netherlands and the percentage of older WC members is slightly higher in Germany.

The division of WC members according to education level is quite different in the two subsamples: in the Netherlands, organisations have both more lower and more higher educated WC members in comparison to Germany, where the large majority of WC members has enjoyed a medium level of education (Facharbeiter). Finally, the percentage of trade union members among the works councillors in the two subsamples shows that this is much higher in Germany (68%) than in the Netherlands (39%), which is in line with other (scattered) evidence (Baumann and Brehmer 2016).

Table 1: Characteristics of the respondents' works councils*,**

| Characteristic | The Netherlands | | | | | Germany | | | | |
|----------------------------------|-----------------|------|-----------|-----|------|---------|------|-----------|-----|-----|
| | Obs | Mean | Std. Dev. | Min | Max | Obs | Mean | Std. Dev. | Min | Max |
| # of WC members | | | | | | | | | | |
| Total # per organisation | 515 | 6.71 | 3.17 | 2 | 62 | 967 | 7.05 | 3.02 | 1 | 65 |
| - of which # of women | 514 | 2.08 | 2.25 | 0 | 60 | 958 | 2.52 | 1.94 | 0 | 25 |
| - of which % of women | 512 | 0.31 | 0.27 | 0 | 1 | 958 | 0.36 | 0.24 | 0 | 1 |
| Division by age | | | | | | | | | | |
| # of members younger than 30 | 503 | 0.62 | 0.92 | 0 | 5 | 928 | 0.51 | 0.88 | 0 | 11 |
| # of members 30 to 49 | 503 | 3.65 | 1.84 | 0 | 38 | 928 | 3.75 | 2.04 | 0 | 32 |
| # of members 50+ | 503 | 2.35 | 2.42 | 0 | 41 | 928 | 2.74 | 2.10 | 0 | 25 |
| % of members younger than 30 | 501 | 0.10 | 0.16 | 0 | 0.75 | 928 | 0.07 | 0.12 | 0 | 0.8 |
| % of members 30 to 49 | 501 | 0.57 | 0.22 | 0 | 1 | 928 | 0.54 | 0.23 | 0 | 1 |
| % of members 50+ | 501 | 0.33 | 0.25 | 0 | 1 | 928 | 0.38 | 0.24 | 0 | 1 |
| Division by education | | | | | | | | | | |
| # members no education | 438 | 0.02 | 0.28 | 0 | 9 | 0 | | | | |
| # members low education | 438 | 1.01 | 1.86 | 0 | 35 | 908 | 0.52 | 1.21 | 0 | 19 |
| # members medium education | 438 | 2.53 | 2.22 | 0 | 45 | 908 | 5.12 | 2.86 | 0 | 45 |
| # members high education | 438 | 2.94 | 2.62 | 0 | 30 | 908 | 1.33 | 2.10 | 0 | 41 |
| % members no education | 438 | 0.00 | 0.03 | 0 | 1 | 0 | | | | |
| % members low education | 438 | 0.15 | 0.22 | 0 | 1 | 908 | 0.07 | 0.16 | 0 | 1 |
| % members medium education | 438 | 0.39 | 0.28 | 0 | 1 | 907 | 0.74 | 0.29 | 0 | 1 |
| % members high education | 438 | 0.46 | 0.32 | 0 | 1 | 908 | 0.18 | 0.28 | 0 | 1 |
| By trade union membership | | | | | | | | | | |
| # trade union members | 472 | 2.70 | 2.59 | 0 | 28 | 925 | 4.86 | 3.22 | 0 | 52 |
| % trade union members | 470 | 0.39 | 0.29 | 0 | 1 | 920 | 0.68 | 0.29 | 0 | 1 |

* In this table and in all remaining tables, statistics are only regarding organisations of 50 or more employees, plus weighted by sector and size based on the CBS and IAB-panel.

** In this table and in all remaining tables, due to rounding errors the percentage distribution of categorical characteristics does not always add up to 1 or 100 exactly.

Source: CWCS



Table 2 presents an overview of several general characteristics of the respondents' organisations per country sample. From this we may conclude the following:

The organisations in both countries consist of almost the same shares of female and young workers, while Germany has relatively less middle-aged and more older workers, which is exactly in line with the age distribution of the WC members in both samples. This suggests that the WC members reflect pretty well the distribution of their rank and file according to gender and age. The spread over the three educational levels is quite similar to that which we observed for the WC members in the two subsamples, hence in the Netherlands there are significantly more lower and higher educated people and in Germany more people in the middle category.

Having said that, Dutch WC members are overall slightly higher educated than their rank and file, while it is clear that more German WC members belong to the middle education category than their constituency.

Regarding industrial relations, in the Dutch sample on average the organisations have a union density rate of 22% whereas in Germany this is significantly higher at 30%. Therefore, what both country samples do have in common, is that the share of WC members who are also a union member is very much higher than for the workforce at large. This is even more true for German than for Dutch WCs. Finally, both country samples show a slightly different picture as far as the incidence and type of collective labour agreement (CLA) is concerned. They share the rather high proportion (about one third) of firms having no CLA at all, while there is some variation as to the type of CLA. In Germany it is relatively more common to have both a single- and a multi-employer agreement in place.

Table 2: Characteristics of the respondents' organisations

| Characteristic | The Netherlands | | | | | Germany | | | | |
|---|-----------------|--------|-----------|-----|----------|---------|--------|-----------|-----|---------|
| | Obs | Mean | Std. Dev. | Min | Max | Obs | Mean | Std. Dev. | Min | Max |
| # of women workers | 470 | 113.21 | 439.41 | 3 | 13,000 | 902 | 104.71 | 1330.24 | 2 | 130,000 |
| % of women workers | 470 | 37 | 24 | 1 | 100 | 902 | 39 | 24 | 0 | 95 |
| Division by age | | | | | | | | | | |
| # younger than 30 | 380 | 48.98 | 235.39 | 0 | 4,000 | 768 | 38.44 | 91.80 | 0 | 4,800 |
| # 30 to 49 | 380 | 109.83 | 261.67 | 0 | 10,000 | 768 | 104.45 | 209.25 | 0 | 9,300 |
| # 50+ | 380 | 67.86 | 208.60 | 0 | 7,000 | 768 | 69.59 | 147.05 | 0 | 6,000 |
| % younger than 30 | 380 | 17 | 12 | 0 | 71 | 768 | 16 | 12 | 0 | 73 |
| % 30 to 49 | 380 | 56 | 17 | 0 | 89 | 768 | 49 | 16 | 0 | 100 |
| % 50+ | 380 | 27 | 17 | 0 | 75 | 768 | 33 | 17 | 0 | 91 |
| Division by education | | | | | | | | | | |
| # workers no education | 330 | 7.19 | 61.35 | 0 | 2,967.50 | 0 | | | | |
| # workers low education | 330 | 42.40 | 129.33 | 0 | 5,200 | 969 | 32.90 | 102.59 | 0 | 6,500 |
| # workers medium education | 330 | 67.78 | 228.57 | 0 | 9,500 | 969 | 107.95 | 302.16 | 0 | 15,000 |
| # workers high education | 330 | 102.34 | 544.01 | 0 | 10,000 | 969 | 45.49 | 186.48 | 0 | 13,000 |
| % workers no education | 330 | 3 | 9 | 0 | 91 | 0 | | | | |
| % workers low education | 330 | 23 | 23 | 0 | 90 | 969 | 19 | 21 | 0 | 100 |
| % workers medium education | 330 | 35 | 18 | 0 | 91 | 969 | 53 | 31 | 0 | 100 |
| % workers high education | 328 | 38 | 26 | 0 | 100 | 969 | 23 | 23 | 0 | 100 |
| By trade union membership | | | | | | | | | | |
| % trade union members | 355 | 22 | 21 | 0 | 92 | 861 | 30 | 24 | 0 | 100 |
| By collective labour agreement | | | | | | | | | | |
| No | 158 | 31.50 | | | | 314 | 33.88 | | | |
| Yes, multi-employer agreement | 271 | 54.15 | | | | 390 | 42.07 | | | |
| Yes, single-employer agreement | 63 | 12.66 | | | | 136 | 14.60 | | | |
| Yes, both a single and multi-employer agreement | 9 | 1.70 | | | | 88 | 9.45 | | | |
| | 501 | 100 | | | | 928 | 100 | | | |

Source: CWCS

3.1.2 Grant and use of facilities

In this subsection, we check to what degree WC members are facilitated. In order to do their work properly, they need to be provided with time, information and advice, which will make them more experienced and knowledgeable. The following variables are analysed: the experience of WC members (i.e., number of served terms), whether they are freed up from work, and whether or not WCs often make use of external advisors. Finally, as a stepping stone between ‘inputs’ and ‘throughputs’, we also report here on the communication procedures: how often and via which channels does communication take place between management and the WC?

In Table 3 works council members in the two subsamples are compared with respect to their councillors’ experience (by looking at the frequency of served terms in the council, ranging from 1 to 4) and with respect to the question about the share of the councillors (fully) exempted from regular work activities.

The experience variables show that there is a difference between the German and Dutch works councillors. On average, German works councillors fulfil their function for a much longer period than their Dutch counterparts. The proportion of WC members who are partly or fully exempted from ordinary work is higher in the Netherlands than in Germany. The Dutch Code-termination Act frees works council members from their regular work for certain occasions such as meetings. In Germany the rules are the same. But in addition, depending on the size of the company, some of the works council members in Germany are generally freed from work so that they can devote 100% of their working time to the duties of the works council. The respondents therefore applied two very different standards here, which also explains the results.

Table 3: Experience and exemption of works council members

| Characteristic | The Netherlands | | | | | Germany | | | | |
|----------------------------|-----------------|-------|------|------|-----|---------|-------|------|------|-----|
| | Obs | Mean | SD | Min | Max | Obs | Mean | SD | Min | Max |
| By experience | | | | | | | | | | |
| % of members WC 1 term | 504 | 45 | 29 | 0 | 100 | 937 | 33 | 20 | 0 | 100 |
| % of members WC 2 terms | 504 | 32 | 24 | 0 | 100 | 937 | 25 | 21 | 0 | 100 |
| % of members WC 3 terms | 504 | 14 | 17 | 0 | 82 | 937 | 20 | 20 | 0 | 100 |
| % of members WC 4 terms | 504 | 9 | 15 | 0 | 100 | 938 | 22 | 21 | 0 | 100 |
| Joint # terms | 506 | 12.71 | 8.07 | 2 | 175 | 938 | 16.38 | 8.46 | 1 | 131 |
| Average # terms per member | 504 | 1.86 | 0.57 | 0.26 | 4 | 935 | 2.31 | 0.55 | 0.23 | 4 |
| By exemption | | | | | | | | | | |
| % WC freed of work | 501 | 0.16 | 0.35 | 0 | 1 | 956 | 0.08 | 0.13 | 0 | 1 |

Source: CWCS



Next, Figure 1 and Table 4 present how often works councils receive external advice, subsequently from unions, lawyers, and consultants. For each of the three, there are significant country differences. Receiving advice from unions is much more common in Germany than in the Netherlands, and so is legal advice. In the Dutch subsample, in 42% and 37% of all cases respectively, respondents never use the unions or legal councillors at all. On the other hand, Dutch WCs seek the advice of a consultant more often than their German counterparts, where 85% never make use of it.

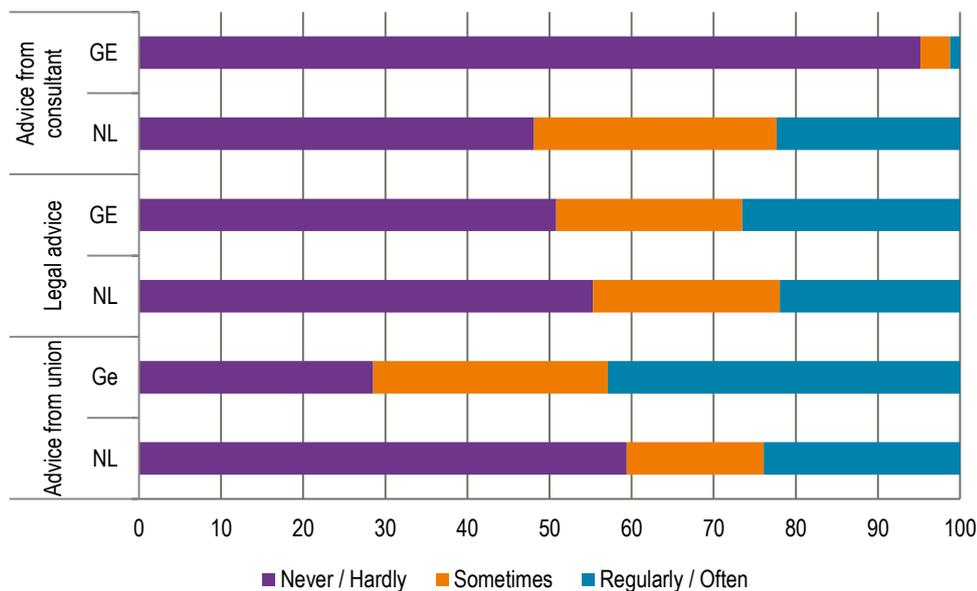
Table 4: Sources and frequency of external advice, from 1 “never” to 5 “very often”

| | Advice from union | | Legal advice | | Advice from consultant | |
|---------|-------------------|------|--------------|------|------------------------|------|
| | NL | GE | NL | GE | NL | GE |
| Mean | 2.28 | 3.21 | 2.39 | 2.62 | 2.46 | 1.21 |
| SD | 1.33 | 1.24 | 1.34 | 1.25 | 1.27 | 0.57 |
| p-value | 0.000 | | 0.000 | | 0.000 | |
| Obs | 480 | 924 | 483 | 912 | 460 | 748 |

Source: CWCS



Figure 1: Sources and frequency of external advice: distribution, in percent

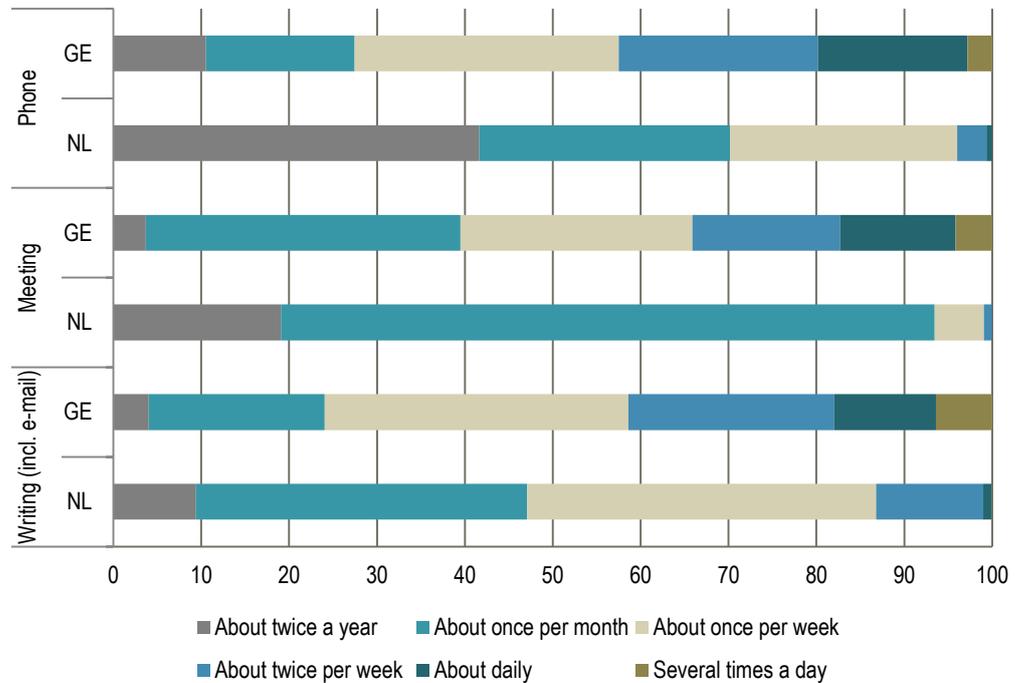


Note: n=1404 (NL 480; GE 924), p-value for all three forms of external advice is 0.000.
Source: CWCS



Lastly, Figure 2 distinguishes between three types of two-way communication between management and WC (in writing, in meetings and on the phone) and the frequency thereof. Again, there is a significant difference between the two country samples for all three communication channels.

Figure 2: Types of communication between WC and management, in percent



Note: n=1429 (NL 511; GE 917), p-value for all three forms of communication is 0.000.
Source: CWCS



From Figure 2 it becomes clear that German WCs are much more active in all forms of communication. A substantial part of all communication activities in the Netherlands takes place once a month or once a week at best, whereas in Germany this is more frequent.

So, at this point we can round off the first subsection regarding ‘inputs’, and continue with ‘throughputs’, where we will study the various (working, trust) relationships of WCs. We will start by addressing the overall perceived relationship of WCs with several stakeholders, followed by the way they perceive their mutual understanding. Thereafter, we will examine more in-depth the interactions between WCs and management.

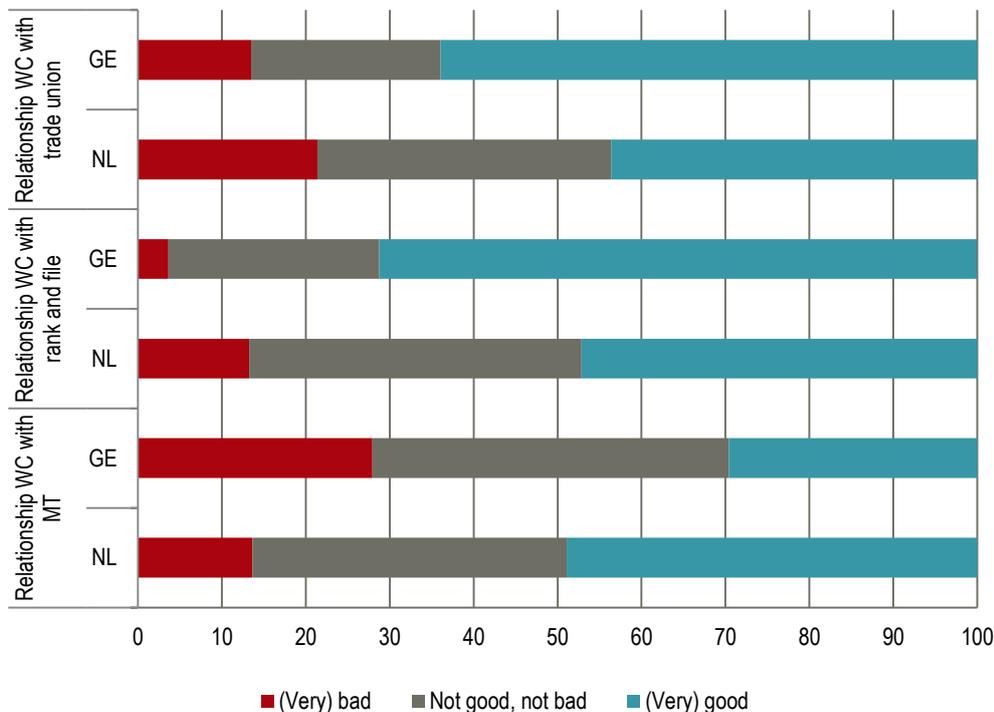
3.2 Throughputs

3.2.1 Relationships with relevant stakeholders

In Figure 3 we start with an overview of the quality of the relationship between Dutch or German WCs and subsequently the relationship with management, rank and file, and trade unions. From this we can infer that there is a significant difference between the two subsamples as to the relationship between WC and management team (MT), where Dutch respondents seem to be more positive than the German respondents. However, when it comes to the relationships of WC both with rank and file and with trade unions, it becomes clear that German respondents on the whole are clearly and significantly more positive than their Dutch counterparts. This may partly be explained by the fact that in the Netherlands on the whole WCs have less contact with rank and file and unions.

It is also quite telling that almost one third of the Dutch respondents report vacant seats in the WC, compared to only 2% of the German respondents. The former is in line with the official accounts on the incidence and functioning of WCs in the Netherlands, reporting vacancies in a quarter of all cases (Visee et al. 2012; Wajon et al. 2017). Having less contact with rank and file makes it harder to find enough candidates.

Figure 3: Relationship WC with stakeholders, in percent



Note: n=1480 (NL 516; GE 964), p-value for all three relationships is 0.000.
Source: CWCS

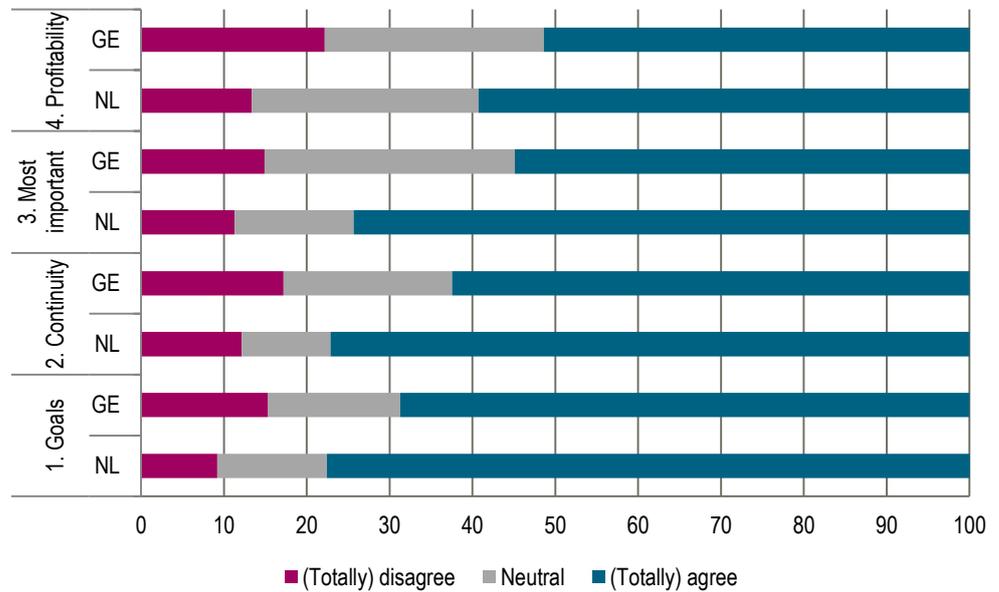
WSI

3.2.2 Relationships and interactions within the works council

Figure 4 gives an indication of the quality of the relationships within the WCs, by looking at the way the members mutually agree or disagree on certain topics. Four different statements are treated here:

1. We agree on the goals of the organisation;
2. We agree on the best way to ensure the continuity of the organisation;
3. We agree on which organisational goals should be most important;
4. We agree on the best way to maximise long-run profitability of the organisation.

Figure 4: Internal relationships WC, common goals, in percent



Note: n=1450 (NL 507; GE 943), p-value for all four statements is 0.000.
Source: CWCS



From this we can infer that WC members in both subsamples have mutually significantly dissenting opinions. Regarding all four statements, Dutch works councillors are more often in (total) agreement with each other, especially regarding the third statement.

Table 5 also addresses internal relationships of WC members, regarding the degree to which they share important information. This tells us whether on average there exists a climate of mutual confidence, which is supposed to aid the effectiveness of the WC. Three different statements about information sharing are treated here:

1. Information that is needed to take essential decisions, is shared freely between WC members;
2. WC members inform each other about their activities for the WC;
3. WC members inform each other about important matters that affect the organisation.

Table 5: Internal information sharing among WC members

| | Statement 1: Information is shared freely | | Statement 2: WC members inform each other about their activities | | Statement 3: WC members inform each other about important matters | |
|-----------------------------|--|-------|---|-------|--|-------|
| | NL | GE | NL | GE | NL | GE |
| | % | % | % | % | % | % |
| Totally disagree | 2.04 | 2.54 | 0.91 | 2.47 | 0.91 | 2.04 |
| Disagree | 3.23 | 4.07 | 1.23 | 6.62 | 1.11 | 4.57 |
| Don't agree, don't disagree | 3.52 | 5.21 | 6.52 | 8.61 | 6.61 | 9.60 |
| Agree | 23.01 | 25.03 | 32.81 | 37.93 | 34.08 | 33.40 |
| Totally agree | 68.20 | 63.15 | 58.53 | 44.38 | 57.29 | 50.39 |
| Total n | 516 | 960 | 516 | 959 | 517 | 959 |
| p-value | 0.293 | | 0.000 | | 0.000 | |

Source: CWCS

WSI

Even though relatively speaking most respondents in both countries (totally) agree with all three statements, there still is a (statistical) significant difference between the two subsamples, at least with regard to the second and third statement, where more Dutch respondents totally agree than German respondents. Still, we conclude from both Figure 4 and Tables 5 that in both countries the level of mutual agreement and hence trust appears to be quite high, which is an important cornerstone of effective employee representation.

3.2.3 Interactions between the works council and management

Where in the previous section Figure 2 described the more or less factual lines of communication between WC and management, Table 6 and Figure 5 give information about the perceived communication between management and WC in both countries, addressing 11 different aspects of the encountered adequateness of this information. This stresses more the underlying process of the information provision. The original answer scale ranges from 1 to 5, from totally disagree (very dissatisfied) to totally agree (very satisfied). Based on Figure 5, we can observe a significant difference between the two country samples for all 11 aspects: adding up the answer categories 'agree' and 'totally agree', the Dutch works councillors are on average more satisfied with all kinds of received information, in particular in terms of helpfulness, conciseness and promoting teamwork. In the figure, the thresholds per aspect (the black chords) show the difference between the Netherlands and Germany for the scale "(totally) agree". WC members in both countries are both relatively dissatisfied with the timeliness and objectivity of the received information.

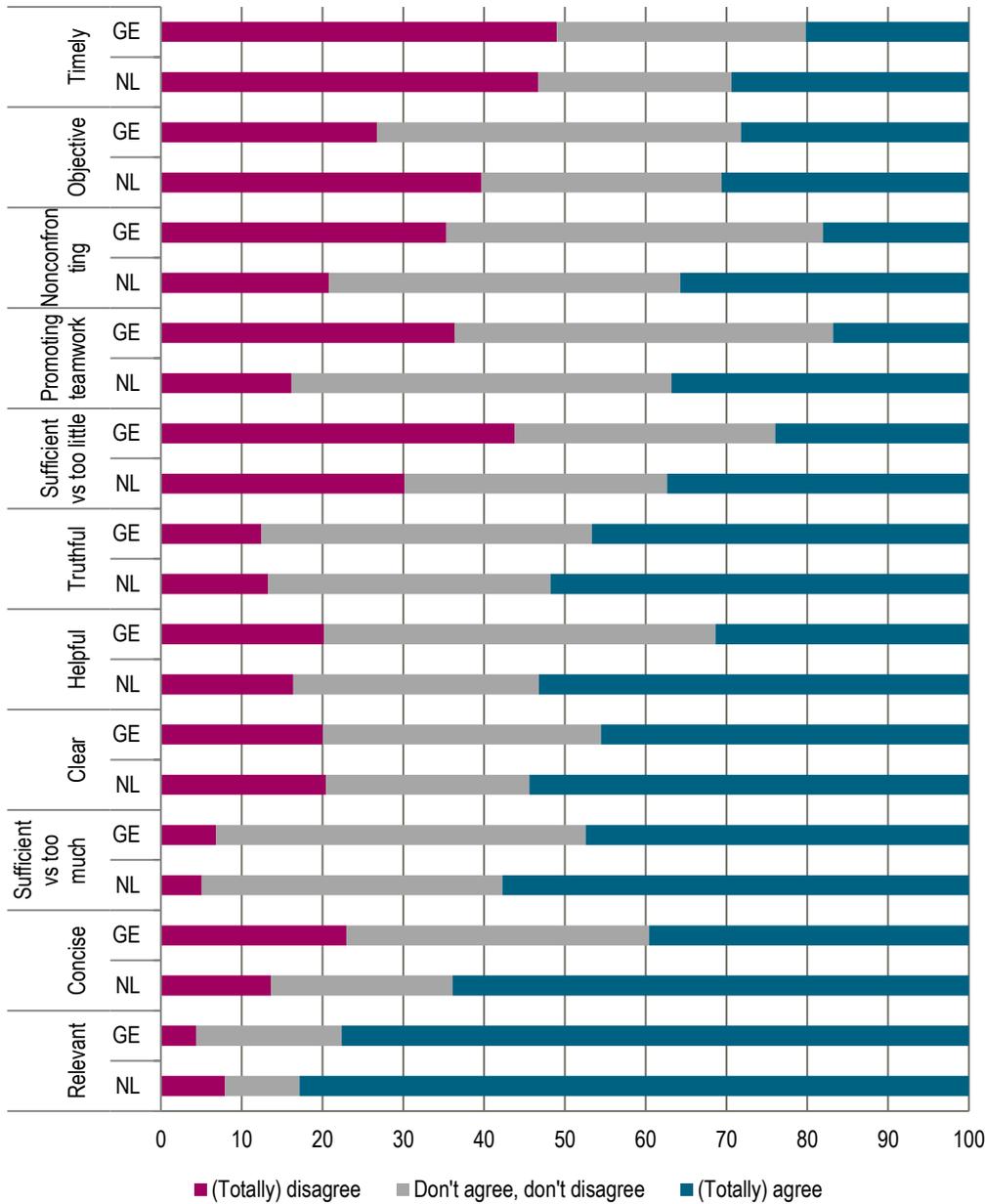
Table 6: Aspects of perceived communication from management team (MT) to the works council (WC), general overview of the means of all 11 aspects

| Variable | The Netherlands | | | Germany | | |
|---|-----------------|------|------|---------|------|------|
| | Obs | Mean | SD | Obs | Mean | SD |
| Communication from MT to WC is usually: | | | | | | |
| Irrelevant (1) – Relevant (5) | 516 | 3.99 | 0.95 | 960 | 4.16 | 0.87 |
| Delayed (1) – Timely (5) | 516 | 2.72 | 1.15 | 965 | 2.58 | 1.11 |
| Coloured (1) – Objective (5) | 516 | 2.86 | 1.03 | 956 | 3.03 | 0.93 |
| Unclear (1) – Clear (5) | 515 | 3.40 | 1.01 | 959 | 3.34 | 1.02 |
| Unhelpful (1) – Helpful (5) | 516 | 3.41 | 0.95 | 960 | 3.14 | 0.90 |
| Boundless (1) – Concise (5) | 515 | 3.61 | 0.99 | 955 | 3.20 | 1.04 |
| Misguiding (1) – Truthful (5) | 516 | 3.47 | 0.93 | 957 | 3.47 | 0.94 |
| Confronting (1) – Nonconfronting (5) | 514 | 3.17 | 0.94 | 945 | 2.80 | 0.85 |
| Too much (1) – Sufficient (5) | 511 | 3.70 | 0.85 | 921 | 3.53 | 0.82 |
| Too little (1) – Sufficient (5) | 513 | 3.08 | 1.08 | 951 | 2.74 | 1.05 |
| Hampering (1) – Promoting (5) teamwork | 514 | 3.24 | 0.82 | 956 | 2.70 | 0.93 |

Source: CWCS

WSI

Figure 5: Aspects of perceived communication from management team (MT) to the works council (WC), in percent



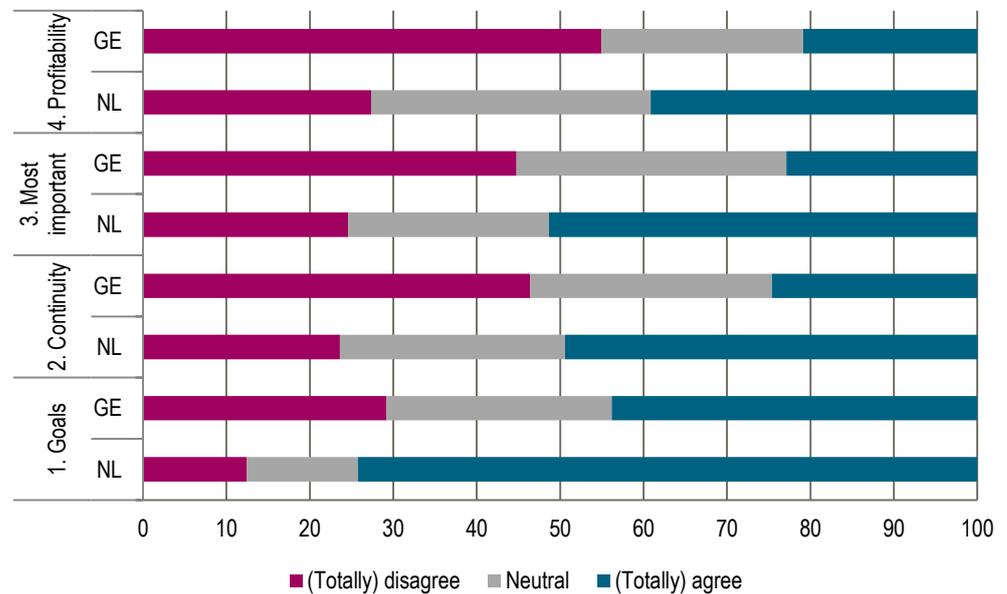
Note: n= 1481 (NL 516; GE 965), p-value for aspects is <0.009.
 The thresholds per aspect (the black chords) show the difference between the Netherlands and Germany for the scale "(totally) agree".
 Source: CWCS



Next, Figure 6 addresses the same four statements as in Figure 4, with the difference that it now concerns the extent to which the WC and management agree or disagree (on an adjusted scale of 1-3) on these topics. The four statements are as follows: The WC and management agree on:

1. the goals of the organisation;
2. the best way to ensure the continuity of the organisation;
3. which organisational goals should be most important;
4. the best way to maximise long-run profitability of the organisation.

Figure 6: Common aims of works council and management, in percent



Note: n=1406 (NL 493; GE 913), p-value for all four statements 0.000.
Source: CWCS



From the above figure it becomes clear that again Dutch WC members share the same goals with management to a much higher degree than the German WC members do. This holds especially true for the third statement, concerning the question which organisational goals should be prioritised. What further stands out is the high extent to which the German respondents actually disagree with management: around one half of all German works councillors holds different views than management about what is best for the organisation at large.

Next, Tables 7, 8, and 9 address the same three statements as in Table 5, but now it concerns the degree to which members of management (MT) and WC share certain information with one another: both addressing the question whether management shares enough with WC, and in turn whether WC shares enough with management. The three statements about information sharing are as follows:

1. Information that is needed to take essential decisions, is shared freely between MT and WC;
2. MT and WC inform each other about their activities for the WC;
3. MT and WC inform each other about important matters that affect the organisation.

Based on the p-values, the two country samples show again significant differences of opinion on all items. Regarding the information flow from management to WC, Dutch respondents are more positive than their German counterparts: they agree more often with all three statements. Regarding the information flow the other way around, a mixed picture emerges. Dutch WC members assess their share in the communication to MT more positively than the German members in the third statement, but this is not, or hardly, the case in the other two statements.

Table 7: Essential information is shared freely between MT and WC and vice versa

| | Statement 1 – MT to WC | | Statement 1 – WC to MT | |
|-----------------------------|------------------------|------------|------------------------|------------|
| | NL (n=515) | GE (n=957) | NL (n=514) | GE (n=947) |
| | % | % | % | % |
| Totally disagree | 12.55 | 8.84 | 1.39 | 0.52 |
| Disagree | 19.90 | 30.77 | 2.74 | 3.26 |
| Don't agree, don't disagree | 24.84 | 29.47 | 21.83 | 14.10 |
| Agree | 32.08 | 25.66 | 52.73 | 45.41 |
| Totally agree | 10.62 | 5.26 | 21.32 | 36.71 |
| Total | 100 | 100 | 100 | 100 |
| p-value | 0.000 | | 0.001 | |

Source: CWCS



Table 8: MT and WC inform each other about their respective activities

| | Statement 2 – MT to WC | | Statement 2 – WC to MT | |
|-----------------------------|------------------------|------------|------------------------|------------|
| | NL (=515) | GE (n=952) | NL (n=516) | GE (n=953) |
| | % | % | % | % |
| Totally disagree | 10.23 | 14.78 | 3.04 | 1.37 |
| Disagree | 31.81 | 36.18 | 5.38 | 9.29 |
| Don't agree, don't disagree | 24.92 | 31.29 | 25.21 | 27.13 |
| Agree | 29.07 | 15.46 | 43.99 | 39.87 |
| Totally agree | 3.97 | 2.29 | 22.38 | 22.34 |
| Total | 100 | 100 | 100 | 100 |
| <i>p</i> -value | 0.000 | | 0.011 | |

Source: CWCS



Table 9: MT and WC inform each other another about important matters that affect the organisation

| | Statement 3 – MT to WC | | Statement 3 – WC to MT | |
|-----------------------------|------------------------|------------|------------------------|------------|
| | NL (n=516) | GE (n=958) | NL (n=515) | GE (n=955) |
| | % | % | % | % |
| Totally disagree | 7.15 | 9.99 | 1.56 | 1.39 |
| Disagree | 16.77 | 31.78 | 3.51 | 5.30 |
| Don't agree, don't disagree | 28.48 | 30.67 | 9.50 | 24.76 |
| Agree | 38.89 | 20.47 | 46.77 | 45.82 |
| Totally agree | 8.71 | 7.09 | 38.67 | 22.74 |
| Total | 100 | 100 | 100 | 100 |
| <i>p</i> -value | 0.000 | | 0.000 | |

Source: CWCS



We also performed cross-tabulations on these same variables to find out whether on the whole, respondents in the two countries are mostly in consensus, or more often agree or more often disagree about the level of information provision from one side to the other, or vice versa. This is summarised in Table 10. From that it can be inferred again that especially regarding the first statement, the Dutch respondents much more often indicate that the information flows from MT to WC, and the other way around, are equally intensive. German respondents on the other hand indicate much more often that MT provides the WC with an insufficient amount of information, than the other way around.

Table 10: Assessment of information sharing between MT and WC: which direction prevails?, in percent

| | Essential information is shared freely between MT and WC | | MT and WC inform each other about their activities | | MT and WC inform each other about important matters that affect the organisation | |
|--|--|-------|--|-------|--|-------|
| | NL | GE | NL | GE | NL | GE |
| <i>Consensus</i> on the degree to which MT informs WC and the degree to which WC informs MT ⁱ | 52.83 | 27.20 | 33.27 | 27.09 | 36.50 | 30.43 |
| Satisfaction on information flow from MT to WC is <i>lower</i> than from WC to MT ⁱⁱ | 43.86 | 71.11 | 63.03 | 68.57 | 59.81 | 62.12 |
| Satisfaction on information flow from MT to WC is <i>higher</i> than from WC to MT ⁱⁱⁱ | 3.31 | 1.69 | 3.70 | 4.34 | 3.69 | 7.45 |
| | 100 | 100 | 100 | 100 | 100 | 100 |

Notes: i: the sum of the diagonal cell percentages in the cross tabulation of the assessment of the quality of the information sharing from WC to MT and from MT to WC.

ii: the sum of the upper off diagonal cell percentages in the cross-tabulation table.

iii: the sum of the lower off diagonal cell percentages in the cross-tabulation table.



Source: CWCS

Table 11 addresses another aspect of the relationship between WC and management, concerning communication. Specifically, with regard to negotiations, the respondents had to react to the following three statements:

1. Meetings between WC and management are informal;
2. Communication from WC to management is usually in writing;
3. Communication from management to WC is usually in writing.

Table 11 Nature of negotiations between WC and management

| | Statement 1: informal meetings | | Statement 2: usually written communication from WC to MT | | Statement 3: usually written communication from MT to WC | |
|-----------------------------|-----------------------------------|-------|--|-------|--|-------|
| | NL | GE | NL | GE | NL | GE |
| | % | % | % | % | % | % |
| Totally disagree | 12.57 | 5.34 | 14.49 | 3.04 | 14.41 | 6.09 |
| Disagree | 14.80 | 15.12 | 27.34 | 13.38 | 25.04 | 20.55 |
| Don't agree, don't disagree | 20.15 | 29.28 | 26.15 | 28.72 | 26.86 | 34.50 |
| Agree | 35.88 | 32.70 | 22.68 | 26.27 | 25.56 | 24.63 |
| Totally agree | 16.60 | 17.55 | 9.34 | 28.59 | 8.12 | 14.23 |
| Total n | 516 | 951 | 513 | 955 | 513 | 952 |
| p-value | 0.000 | | 0.000 | | 0.000 | |

Source: CWCS



In both countries the majority of the respondents agrees (or at least does not disagree) that negotiations with management are informal. The German works councillors however state much more often than the Dutch that they communicate with management in writing.

What exactly are the main topics on which WCs and management have consulted one another during the preceding two years? This question was posed to the respondents, leading to a wide variety of answers. Presented with a list of thirty different points of discussion, respondents indicated which topics were relevant to them. Table 12 shows for both country samples those topics that were specified by at least half of the respondents. For the Netherlands six topics were mentioned, ranging from health-related issues to job security and appraisals. For Germany the same six topics emerge, supplemented with five other topics, among which are working time issues and working climate. It is interesting to notice that the Health and Safety topic is the one most often mentioned in both countries.

The respondents were consecutively asked to give a top 3 of the topics that could lead or actually did lead to conflicts. The Dutch mentioned most often job security, appraisals and reorganisations, in order of frequency 24%, 14%, and 13% of the cases, respectively. Concerning the remaining topics, less than 10% was considered to be conflict sensitive. In the German sub-sample no less than seven different topics have a chance above 10% to be conflict sensitive, especially regarding job security and working overtime.

Table 12: Most often discussed topics and the degree to which these are conflict sensitive, in percent

| Netherlands | Relevant? | Conflict? |
|----------------------|------------------|------------------|
| Health and Safety | 77 | 7 |
| Appraisals | 74 | 14 |
| Absenteeism | 64 | 6 |
| Development/training | 60 | 5 |
| Job security | 59 | 24 |
| Reorganisations | 55 | 13 |
| n | 518 | |

| Germany | Relevant? | Conflict? |
|-------------------------------------|------------------|------------------|
| Health and Safety | 83 | 10 |
| Overtime | 73 | 18 |
| Temporary work | 65 | 10 |
| Job security | 62 | 19 |
| Varying working time | 62 | 11 |
| Appraisal | 61 | 5 |
| Absenteeism | 60 | 6 |
| Working climate | 60 | 11 |
| Reorganisations | 58 | 7 |
| Development/training | 54 | 2 |
| Increasing working time flexibility | 52 | 10 |
| n | 969 | |

Source: CWCS

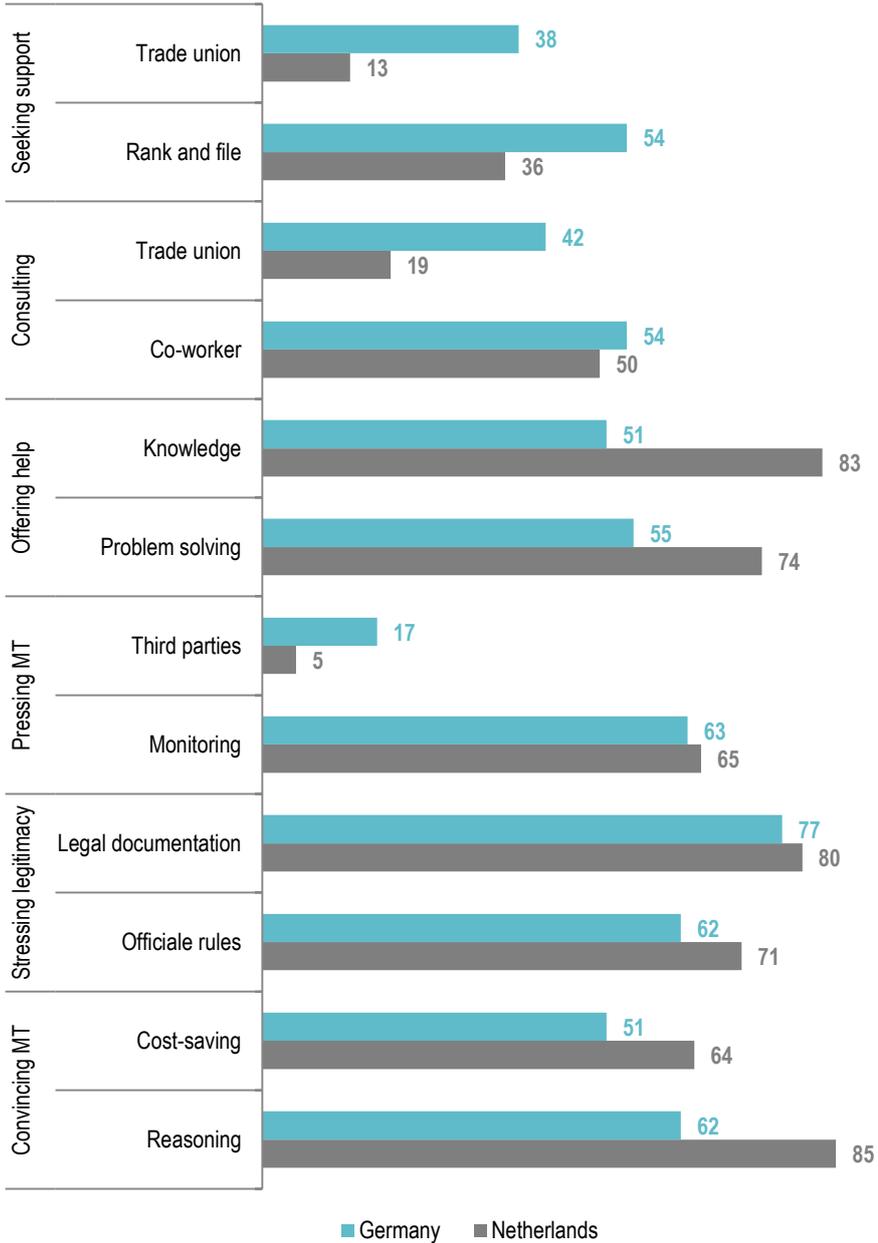


There are several ways in which a WC may try to influence company decision-making. In the survey no less than 19 different tactics are listed. For each of those the respondents had to indicate to what degree they made use of that particular influence tactic. For a useful overview, we have recoded their answers to either 0 or 1, where we grouped the answers ‘often’ and ‘very often’ in the second category. In the next figures, it is shown which percentage of the respondents in the two countries uses a particular influence tactic a lot. Figure 7 reports the frequently used main tactics (more than 20% in one of the countries), while Figure 8 covers the less often applied main tactics (less than 20% in one of the countries).

The similarities in negotiation strategies used between the two countries are remarkable. The influence tactics that are used most often by WCs in both countries are: convincing by referring to facts, stressing the legitimacy of proposals, pressing MT by referring to law and rules, offering help to solve problems, and consulting specialists within the organisation. Not surprisingly, consulting specialists in the union is more often done by German WCs than by Dutch WCs. Moreover, German WCs more often seek support from rank and file than their Dutch counterparts.

What WCs do very little is to block cooperation with MT or use delaying tactics unless the MT grants the WC something, seek (in)formal support by circumventing the management layer, or use a “one good turn deserves another” approach.

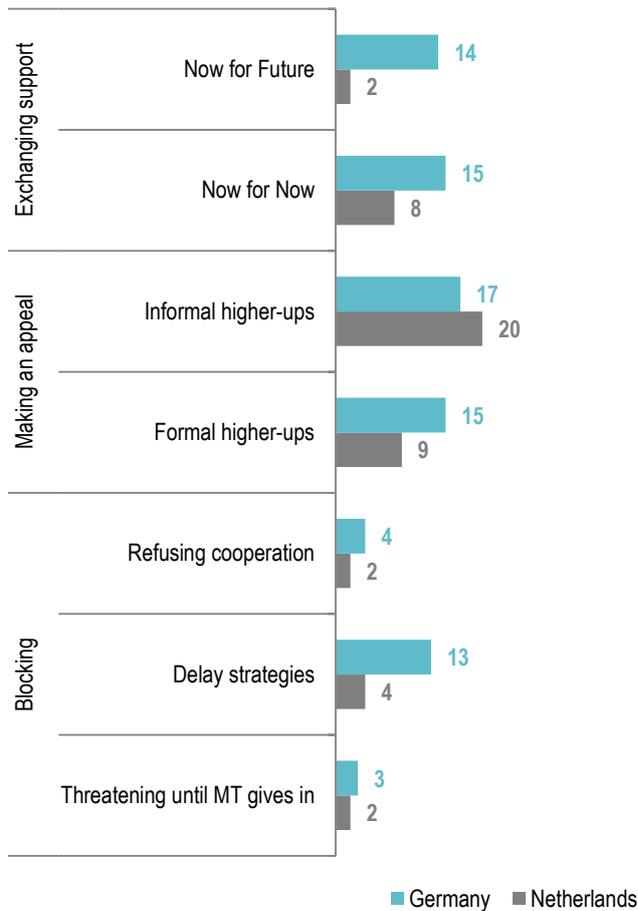
Figure 7: Most frequent use of influence tactics, in percent



Note: n=1487 (NL 518; GE 969).
 Most frequent use means that within one of the two countries a main influence tactic is used at least by 20% of the companies.
 Source: CWCS



Figure 8: Least frequent use of influence tactics, in percent



Note: n=1487 (NL 518; GE 969).

Least frequent use means that within one of the two countries a main influence tactic is used at most by 20% of the companies.

Source: CWCS



Finally, in this subsection on throughputs/processes, we present in Tables 13 and 14 how the WC respondents perceive their trust relationship with management, based on five statements:

1. In our negotiations, management has always treated us fairly;
2. We know how management behaves, we can count on their expected behaviour;
3. Management can be trusted;
4. We trust that management takes our interests into account even when this costs something for them;
5. We agree with management on mutual standards of behaviour.

The comparative results show once again that the distributions in the two country samples differ significantly. On a scale from 1 to 5, on the first three items the Dutch works councillors score a little higher than the Germans in the answer category (totally) agree, and much higher on the fourth and especially the fifth item: The Dutch believe much more often that they share the same ideas with management regarding mutual standards of behaviour. Remarkably, the Dutch also score higher in the answer category (totally) disagree on the first three items, suggesting that also a large proportion of all Dutch WCs has relatively little trust in management. So, their overall opinion on the trustworthiness of management is either rather positive or rather negative, and much less often neutral. The German respondents are most outspoken on the fourth statement: half of them do not believe that management would take decisions at their own expense.

Table 13: Trust relationship with management

| | The Netherlands | | | Germany | | |
|---|-----------------|------|------|---------|------|------|
| | Obs | Mean | SD | Obs | Mean | SD |
| Statement 1: MT has always treated WC fairly | 515 | 3.17 | 1.03 | 960 | 3.10 | 1.05 |
| Statement 2: WC know how MT behaves | 513 | 3.13 | 1.07 | 950 | 3.28 | 0.98 |
| Statement 3: MT can be trusted | 503 | 3.13 | 1.10 | 951 | 3.11 | 1.15 |
| Statement 4: We trust that MT takes WC interests into account | 511 | 3.03 | 1.26 | 956 | 2.54 | 1.13 |
| Statement 5: WC and MT agree on mutual standards of behaviour | 509 | 3.58 | 1.14 | 951 | 3.12 | 1.13 |

Source: CWCS



Table 14: Trust relationship with management, in percent

| | Statement 1: MT has always treated WC fairly | | Statement 2: WC know how MT behaves | | Statement 3: MT can be trusted | | Statement 4: We trust that MT takes WC interests into account | | Statement 5: WC and MT agree on mutual standards of behaviour | |
|--------------------------------|--|-------|---|-------|-----------------------------------|-------|--|-------|--|-------|
| | NL | GE | NL | GE | NL | GE | NL | GE | NL | GE |
| Totally disagree | 3.19 | 7.29 | 2.82 | 4.55 | 3.51 | 11.03 | 13.87 | 22.30 | 3.49 | 9.66 |
| Disagree | 27.02 | 20.16 | 36.18 | 16.59 | 33.75 | 17.57 | 24.76 | 28.56 | 21.26 | 18.92 |
| Don't agree, don't disagree | 29.22 | 36.46 | 12.73 | 32.84 | 19.69 | 30.47 | 17.01 | 24.47 | 9.61 | 31.56 |
| Agree | 31.12 | 27.80 | 41.43 | 38.32 | 32.62 | 30.75 | 33.17 | 22.69 | 45.23 | 29.61 |
| Totally agree | 9.45 | 8.28 | 6.84 | 7.70 | 10.42 | 10.18 | 11.18 | 1.99 | 20.41 | 10.26 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| n | 515 | 960 | 513 | 950 | 513 | 950 | 503 | 951 | 511 | 956 |
| p-value | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | |

Source: CWCS



So, at this point we can round off the second subsection regarding 'throughputs' and continue with the third and final paragraph on the 'outputs'. Several outcomes in the two country settings will be compared that relate to successful exercise of representation: to what degree are works councils involved by management and do they think that they can actually influence management's decision-making? In what areas do they think they have an impact?

3.3 Outputs

3.3.1 Perceived involvement

Table 15 shows that in both country samples, in a considerable number of all firms, employees are not involved in company decision-making. As it is perceived by our respondents from the works councils German management most often takes decisions unilaterally, without consulting the workforce: In no less than 68% of all cases compared to 52% of the Dutch cases. Next to that, in 44% of all Dutch cases managers do consult all people involved, compared to just 30% of the German cases.

Table 15: Leadership style

| | The Netherlands | | Germany | |
|---|-----------------|-------|---------|-------|
| | Obs | % | Obs | % |
| The manager takes decisions and gives orders that need to be carried out, without consulting with employees | 260 | 51.66 | 640 | 68.30 |
| The manager takes decisions based on consultation with all those involved | 223 | 44.30 | 285 | 30.38 |
| The manager is minimally involved in decision making and gives much freedom to employees to take decisions themselves | 20 | 4.04 | 12 | 1.32 |
| Total | 503 | 100 | 937 | 100 |
| <i>p</i> -value | 0.000 | | | |

Source: CWCS



To gain more insight into the above finding, we make use of another question in the survey, which asks in much more detail to what degree the WCs have a say in company policies (in four specific areas, and in general). The overall descriptives are shown below in Table 16. A practical problem here is the comparability of having a say in personnel matters, because this question was split in the German survey into two different ones: having a say in individual personnel matters plus having a say in strategic personnel matters. Neither of these two questions is easily comparable with the Dutch equivalent. For reasons of disclosure, we do present all information on personnel policies in Table 17. Subsequently, Figure 9 shows the information on the remaining policies.

Table 16: WCs having a (perceived) say in company policies

| Having a say in: | The Netherlands | | | Germany | | |
|----------------------|-----------------|------|------|---------|------|------|
| | Obs | Mean | SD | Obs | Mean | SD |
| Personnel | 516 | 3.12 | 1.23 | | | |
| Personnel individual | | | | 967 | 3.78 | 1.19 |
| Personnel strategy | | | | 953 | 2.20 | 1.16 |
| Finance | 514 | 2.37 | 1.13 | 957 | 1.48 | 0.77 |
| Labour conditions | 514 | 3.74 | 0.95 | 963 | 3.53 | 1.07 |
| Technology | 490 | 2.44 | 1.10 | 945 | 1.89 | 1.07 |
| General | 516 | 3.03 | 0.95 | 966 | 2.70 | 0.93 |

Source: CWCS



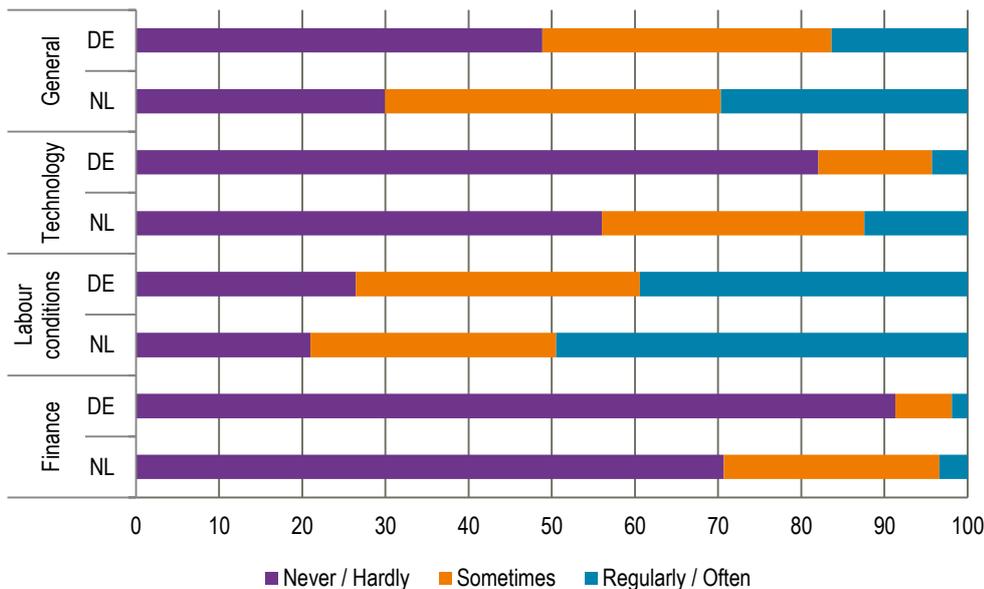
Table 17: WCs having a (perceived) say in personnel policies, in percent

| Having a say in: | The Netherlands | Germany | |
|---------------------------------------|--------------------|----------------------|--------------------|
| | personnel policies | personnel individual | personnel strategy |
| None | 15.73 | 6.91 | 37.10 |
| Hardly | 13.40 | 8.31 | 24.22 |
| Moderately | 22.91 | 17.68 | 24.99 |
| Considerable | 38.88 | 34.46 | 9.48 |
| Very much | 9.08 | 32.64 | 4.22 |
| Total | 100 | 100 | 100 |
| p-value (compared to NL 'equivalent') | | 0.000 | 0.000 |

Source: CWCS



Figure 9: WCs having a (perceived) say in four company policies, in percent



Note: n=1471 (NL 514; GE 957), p-value for all four policies 0.000.
Source: CWCS



From these distributions per area and in general it becomes clear that there are significant country differences as regards the perceived involvement by works councillors. Concerning the answers of German WC members, they attribute the largest degree of involvement in the area of individual personnel matters (about 67% indicates considerable to very much involvement), which is in line with the German codetermination act. On this item they score also higher than the Dutch respondents, of which about 48% give this high score.

However, when comparing the same Dutch scores to the German scores regarding strategic personnel matters, the latter score is substantially lower.

We can further infer that in all remaining areas, Dutch WC members perceive they have more say than the German ones, especially as regards financial and technology policies. These scores are also reflected in the answers to the question on the perceived involvement in general, as we see that Dutch councils feel more often than the German councils that they actually have a say in company policies overall, namely one third compared to one fifth.

This information gives a more nuanced image of employee involvement than the ones in the preceding Table 15. It depends much on the policy area whether or not WCs have been given a say. Moreover, based on the last part of Figure 9 'say_general', almost 29% of the Dutch and 43% of the German respondents indicate that they are not involved at all, or hardly involved, compared to 52% and 68% respectively in Table 15. Hence, the latter figure presents a somewhat less gloomy picture.

3.3.2 Perceived influence

Having a say does not yet guarantee that works councillors actually have an impact on company policies. But another item in the survey can shed light on the question about the degree to which the WC has indeed influenced a change in company decision-making over the preceding two years. The respondents were asked to indicate their perceived influence on the same topics as in Table 16. The results are shown in Tables 18 and 19 and Figure 10 below.

Table 18: (Perceived) effect of WCs on changes in company decision-making

| Having effect on | The Netherlands | | | Germany | | |
|----------------------|-----------------|------|------|---------|------|------|
| | Obs | Mean | SD | Obs | Mean | SD |
| Personnel | 498 | 3.25 | 1.18 | | | |
| Personnel individual | | | | 949 | 3.03 | 1.16 |
| Personnel strategy | | | | 939 | 2.03 | 1.06 |
| Finance | 482 | 2.06 | 1.01 | 933 | 1.55 | 0.83 |
| Labour conditions | 499 | 3.39 | 1.08 | 942 | 3.24 | 1.11 |
| Technology | 455 | 2.02 | 1.01 | 927 | 1.78 | 0.95 |
| General | 505 | 3.13 | 0.98 | 950 | 2.62 | 0.94 |

Source: CWCS



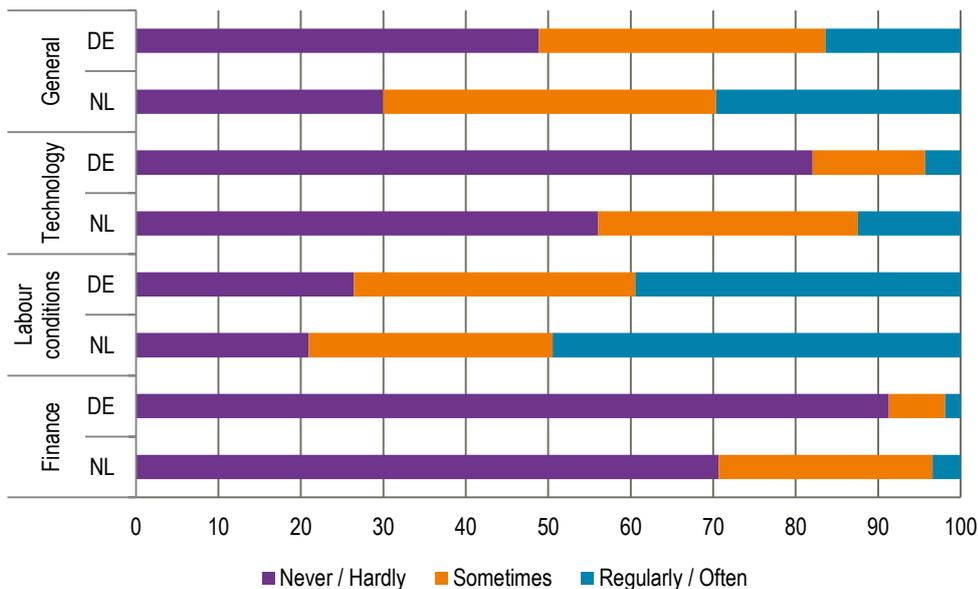
Table 19: WCs having a (perceived) effect on changes in decision-making regarding personnel policies, in percent

| Having effect on | The Netherlands | Germany | |
|---------------------------------------|--------------------|----------------------|--------------------|
| | personnel policies | personnel individual | personnel strategy |
| No adjustment | 18.19 | 17.19 | 42.32 |
| Hardly adjusted | 13.67 | 17.22 | 30.42 |
| Moderately adjusted | 29.91 | 27.80 | 16.89 |
| Considerable adjustment | 31.94 | 30.06 | 9.18 |
| Drastic adjustment | 6.29 | 7.73 | 1.19 |
| Total | 100 | 100 | 100 |
| p-value (compared to NL 'equivalent') | | 0.334 | 0.000 |

Source: CWCS



Figure 10: Perceived effect on company decision-making in four policies, in percent



Note: n=1415 (NL 482; GE 933), p-value for all four policies 0.000.
Source: CWCS



Once more, the distributions underline the significant country differences, except for the perceived influence on company decision-making in individual personnel matters, where the Dutch and German scores are almost the same; even though we are not fully sure whether this aspect is comparable, given the different content of the questions. Nevertheless, in both countries the respondents indicate a high level of influence regarding (individual) personnel matters in no less than 38% of all cases. On the other hand, the second German question on personnel, relating to strategic issues, again

shows that this is not an area in which the works councillors can exert a lot of influence, with no less than 73% of the German respondents saying that no, or hardly any, adjustment in company decision-making has been accomplished.

The most relevant findings with respect to the remaining variables are the following: Especially the German respondents are even more negative about their level of influence concerning financial matters, with 91% compared to 71% in the Netherlands. Financial matters fall predominantly under the WC's right of advice and not under the right of consent, so that makes sense. Regarding the perceived effect on decisions in the field of labour conditions and terms of employment, both respondent groups indicate in the majority of cases that they brought about a moderate to even drastic adjustment of company decision-making, with the Dutch being even more positive than the Germans. In the field of technical matters, both respondent groups seem to agree on the relatively little effect they perceive to have. Overall, once more, Dutch WC members are much more convinced of their impact on managerial changes in decision-making than the German WC members.

The final question concerns whether the respondents think that management attributes a favourable role to the WC, in terms of being able to motivate employees. Ultimately, the goal of any organisation should be to motivate their workers to perform well to the benefit of the organisation at large. A good working relationship between management and WC certainly helps in that respect. Table 20 presents the findings. Given all the previous outcomes it should not come as a surprise that the Dutch respondents are significantly more positive about their assessment of management's point of view. No less than two-thirds of them believe that management attributes a beneficial influence to the WC, in Germany this only holds for 40% of the respondents, while at the same time the percentage of negatively disposed respondents in the Netherlands is only 16% compared to 33% in Germany.

Table 20: Does management believe that it is effective to motivate employees through the WC?

| | NL (n=496) | GE (n=925) |
|------------------------|------------|------------|
| | % | % |
| Not appropriate at all | 8.09 | 2.95 |
| Not appropriate | 8.44 | 30.81 |
| Neutral | 16.57 | 25.88 |
| Moderately appropriate | 45.09 | 27.40 |
| Very appropriate | 21.80 | 12.97 |
| Total | 100 | 100 |
| p-value | 0.000 | |

Source: CWCS



4 Conclusion

Even though Dutch and German works councils both have strong legal rights, their functioning at establishment level differs considerably within the two countries as well as in direct comparison with each other. Given the disposal of a large series of identical questions, the CWCS dataset enabled us to explore cross-country differences from a micro perspective. This is an explorative study in which we have mainly shown descriptive statistics. In doing so, we have taken possible downsides of weighting the data for granted. Several interesting and noteworthy observations have been made.

Of course, WCs in the two countries share certain factual characteristics (the inputs), such as the relatively modest percentage share of women and younger employees. The representation of the work force in terms of educational level is rather skewed in the German case, though. In both countries, the share of union members among WC members is higher than in the work force, especially in Germany. German works councillors more often serve several terms than do their Dutch counterparts.

Disclosing the black box of the WCs as regards their functioning (i.e., the throughputs), the overall impression is that WCs in Germany and the Netherlands mainly differ from one another. Compared to German WCs, their Dutch counterparts much more often ask for advice from consultants, while the former usually turn to lawyers or the union for advice. German works councillors not only have a better relationship with the union, but with their constituency as well. Dutch WCs seem to be more focussed on their (rather good) interaction with management (MT). On the whole, Dutch WCs seem to operate more informally, in a more cooperative way, and more in agreement with MT. Dutch WCs are more positive about their relationship with MT and about the sharing of information between MT and WC. Moreover, the Dutch are also more satisfied with the ways and contents of the exchanged communication with MT, they negotiate in an informal atmosphere and more often feel involved by MT. This translates further into the fact that Dutch WCs are much more often of the opinion that management attributes a favourable role to WCs regarding their impact on personnel motivation (i.e., the outputs).

During consultations WCs in both countries mostly address the same topics, with the same chance of leading to conflicts; moreover, they also use the same tactics, which are far more often characterised by cooperation than non-cooperation in both countries.

It is remarkable that although German WCs much more frequently communicate with MT both in writing and in meetings, they are less satisfied with the ways and contents of the exchanged information, while the same holds for sharing essential information with MT. Asked about the type of negotiations, the majority of WCs in both countries agree on the informal nature but nonetheless the trust relationship with MT is quite often judged negatively (one third of all respondents in both countries on average).

Lastly, although the majority of all respondents state that MT does not consult them at all, the overall picture on WCs having a say and even having influence on company policies in general is more diverse.

All in all, the survey material offers many prospects for future follow-up research. Even though Dutch and German WCs show several similarities in terms of the inputs and some throughputs (discussed topics and tactics), overall the outputs differ quite substantially.

References

Baumann, H., Brehmer, W., Hobler, D., Klenner, Ch. and Pfahl, S. (2017): Frauen und Männer in Betriebsräten. Zur Umsetzung des Minderheitenschutzes bei Betriebsratswahlen, WSI-Report Nr. 34.

Baumann, H. and Brehmer, W. (2016): Die Zusammensetzung von Betriebsräten: Ergebnisse aus der WSI-Betriebsrätebefragung 2015. In WSI Mitteilungen 96(3), 201-210.

Dufour, C. and Hege, A. (2013): 'Understanding diversity in collective representation: common principles underlying the performance of workplace representatives in different representation regimes', *Industrial Relations Journal* 44(4), 355-372.

Eurofound (2009, 2013): European Company Surveys.

Kim, D.-O., Kim, Y.-H., Voos, P., Suzuki, H. and Kim, Y.D. (2015): 'Evaluating Industrial Relations Systems of OECD Countries from 1993 to 2005: A Two-Dimensional Approach', *British Journal of Industrial Relations* 53(4), 645–663.

Van Gyes, G. (2016): 'Employee representation regimes in Europe: Do they exist in practice?', Conference paper SASE (Society for the Advancement of Socio-Economics), Berkeley 24-26 June.

Streeck, W. (1995): Works Councils in Western Europe: From Consultation to Participation. In: Rogers, J. and Streeck, W. (eds.): *Work Councils. Consultation, Representation, and Cooperation in Industrial Relations*. Chicago/London: The University of Chicago Press, pp. 313 – 350.

Visee, H., Saalbrink, S. and Mevissen, J. (2012): Naleving van de Wet op de Ondernemingsraden. Stand van Zaken 2011. Report commissioned by the Ministry of Social Affairs and Employment.

Visser, J. (1995): The Netherlands: From Paternalism to Representation. In: Rogers, J. and Streeck, W. (eds.): *Work Councils. Consultation, Representation, and Cooperation in Industrial Relations*. Chicago/London: The University of Chicago Press, pp. 79 – 114.

Visser, J. (2009): 'The quality of industrial relations and the Lisbon Strategy'. In: European Commission (ed.), *Industrial Relations in Europe 2008*. Luxemburg, pp. 57-77.

Wajon, I., Vlugg, P. and Enneking, E. (2017): Naleving van de Wet op de Ondernemingsraden. Stand van Zaken begin 2017. Report commissioned by the Ministry of Social Affairs and Employment.

Authors:

Annette van den Berg, Utrecht University
Yolanda Grift, Utrecht University
Saraï Sapulete, Ecorys
Wolfram Brehmer, WSI/Hans-Böckler-Foundation
Martin Behrens, WSI/Hans-Böckler-Foundation
Arjen van Witteloostuijn, Free University of Amsterdam

Impressum

Publisher: Hans-Böckler-Stiftung, Hans-Böckler-Str. 39, 40476 Düsseldorf, Germany

Contact:
Dr. Wolfram Brehmer
Wolfram-Brehmer@boeckler.de
Phone: +49 211 7778 340

WSI Study is an online publication series available at: https://www.boeckler.de/wsi_64282.htm

Study (Internet) ISSN 2367-0827

The views expressed in this paper do not necessarily reflect those of the WSI or the Hans-Böckler-Foundation. All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.