

# Board-level employee representation

The detailed description of the building blocks of collective bargaining mainly relies on information provided by the responses to the policy questionnaires that were sent to Labour Ministries, employer organisations and trade unions in 2016. The information reported in the questionnaires represents the situation in **December 2015**.

The focus is on collective bargaining practices in the **private sector**. Unless otherwise stated, the information refers to the **entire economy** (but the actual application and use of certain instruments may differ across sectors). In the case of institutional differences across sectors, the answers focus on what is applicable in the agreement that prevails for the manufacturing sector (in case of differences within the manufacturing sector, for the metal workers).

All OECD and accession countries have filled in the questionnaire. Canada has sent detailed answers for the Federal level and the four biggest provinces (Alberta, British Columbia, Ontario and Québec). The information collected via the policy questionnaires has been complemented and cross-checked with existing data sources (in particular using data from ICTWSS, Eurofound, European Commission, ILO and various individual- and firm-level surveys and administrative data) and the relevant research literature.

The detailed description of the building blocks of collective bargaining could not have been prepared without the tireless co-operation of the Labour and Employment Ministry staff in OECD and accession countries as well as of the staff of many national employer associations and unions in completing the policy questionnaires on collective bargaining that underpin the analysis. The work has also benefitted from helpful discussions and suggestions from the participants at two OECD experts meetings on collective bargaining. The views expressed here cannot be attributed to any of the people, organisations and governments that helped the Secretariat during the research and drafting process.

	Board representation		Scope	Proportion/number of workers' representatives	Nomination of candidates	Appointment mechanism
	Public	Private				
Austria	Yes	Yes	>300	1/3 SVB.	Appointed by WC.	
Chile <sup>a</sup>	Yes	No	-	-	-	-
Czech Republic	Yes	No	State-owned companies.	1/3 SVB	Agreement between employer and TU.	Election
Denmark	Yes	Yes	>35	1/3 (min. two) BoD	No legal procedure specified.	Election
Finland	Yes	Yes	>150 and request by two personnel groups together representing a majority of employees.	Agreement between employer and at least two personnel groups representing a majority with regard to: number of representatives (unlimited) and the body on which they will sit. If no agreement: min. 1/5 - max four.	By personnel groups.	Election if no agreement between personnel groups.
France	Yes	Yes	State-owned companies.	<ul style="list-style-type: none"> <li>• &lt;200: two members (max. 1/3).</li> <li>• &gt;200: 1/3.</li> </ul>	TU or min. 10% of employees.	Election
			Private sector <1 000 (voluntary). Private sector >1 000 in France or >5 000 worldwide.	Up to 1/4 (max. four or five) <ul style="list-style-type: none"> <li>• Boards ≤12 min. one</li> <li>• Boards &gt;12 min. two</li> </ul>	TU or min 5% of employees (or 100 employees in companies >2 000). After WC's opinion, the general meeting of shareholders chooses either 1,2 or 3: 1. Nomination by TU , 2. Appointment by WC, 3. Appointment by TU.	Election 1. Election by employees.
Germany	Yes	Yes	>500 - <2 000	Min. 1/3 SVB.	WC, employees	Election by employees.
			>2 000	1/2 of SVB.	Employees, Executive staff, TU.	1. Election by employees or 2. Election by delegates.
			Companies in the iron, coal and steel industry >1 000.	1/2 of SVB +de facto one member of MB	WC, TU.	By the general meeting of shareholders.

	Board representation		Scope	Proportion/number of workers' representatives	Nomination of candidates	Appointment mechanism
	Public	Private				
Greece	Yes	No	State-owned companies.	One member of the board.	Legally by employees, de facto by TU.	Election (final appointment by the minister).
Hungary	Yes	Yes	>200	<ul style="list-style-type: none"> <li>• Dualistic: 1/3 of SVB (unless otherwise agreed by WC and management).</li> <li>• Monistic: according to agreement between WC and BoD.</li> </ul>	WC (duty to ask for TU opinion).	By the general meeting of shareholders.
Ireland	Yes	No	State-owned commercial companies and state agencies.	1/3 of the board	TU or bodies recognised for collective bargaining.	Election (final appointment by the responsible minister).
Israel <sup>a</sup>	Yes	No	>100	Two	-	-
Luxembourg	Yes	Yes	Private companies > 1 000. State-owned companies.	1/3 of the board One board member per 100 employees (min. three members, max. 1/3 of the board)	Election by staff representatives (iron and steel industry are an exception). Election by staff representatives.	
Netherlands	Yes	Yes	Companies with: 1. Equity capital >16 M, 2. A WC, 3. >100 (some exceptions).	<ul style="list-style-type: none"> <li>• Dualistic: 1/3 of SVB</li> <li>• Monistic: 1/3 of the non-executive directors' seats.</li> </ul>	WC	
Norway	Yes	Yes	>30 and request by a majority of employees in companies.	Min. one member up to 1/3 of the board + one member (depending on the size of the company and the existence of a corporate assembly)	TU	
Poland	Yes	Yes	"Commercialised" and privatised companies. N.B: within state-owned companies WC's have substantial managerial powers.	<ul style="list-style-type: none"> <li>• In "commercialised" companies: 2/5 of SVB.</li> <li>• In privatised companies: min. two-four members of the SVB (depending on SVB size).</li> <li>• Additionally, in companies&gt;500: one member of MB.</li> </ul>	No restrictions.	
Portugal	Ye	No	State-owned companies N.B. but very rarely implemented.	Defined by company's articles of association.	WC, 100 or 20% of employees.	

	Board representation		Scope	Proportion/number of workers' representatives	Nomination of candidates	Appointment mechanism
	Public	Private				
Slovak Republic	Yes	Yes	Private: >50 (or less if provided by articles of association).	1/3 of SVB (up to 1/2 if provided for by articles of association).	TU, employees (10%).	Election
			State-owned companies.	1/2 of SVB (but not the chair).	Unspecified	Election
Slovenia	Yes	Yes	At least two of the following conditions: 1. >50 employees, 2. Sales turnover>8.8 M, 3. Asset value>4.4 M.	<ul style="list-style-type: none"> <li>• Dualistic: min. 1/3 up to 1/2 of SVB but not the chair (defined by articles of association).</li> <li>• Monistic: 1/4, min. one (defined by articles of association).</li> </ul>	Appointment by WC.	-
Spain	Yes	No	State-owned companies> 1 000 (in metal sector>500).	Two-three members (one per TU entitled to participate).	TU entitled to participate ( <i>i.e.</i> representing at least 25% of staff representatives and WC seats).	
Sweden	Yes	Yes	>25 + decision by local TU bound by CA with the company.	<ul style="list-style-type: none"> <li>• &lt;1 000 employees: two members.</li> <li>• &gt;1 000 employees + operating in several industries: three members.</li> <li>• Max. 1/2 of the board.</li> </ul>	Appointment by TUs bound by CA with the company. If no agreement between TUs, standard rules apply (with regard to the distribution of seats between TUs).	

..: Information not available; -: Not applicable; BoD: Board of Directors; CA: Collective Agreement; MB: Management Board; SVB: Supervisory Board; TU: Trade Union; WC: Work Council.

*Legend:* Monistic: unitary structure (board of directors); Dualistic: two-tier structure (management board and supervisory board).

Work council: official firm-level body which represents workers (often directly elected by employees and different from unions or union branches at firm level).

*Note:* 15 OECD countries have no regulation with respect to BLER in either the public or private sector, these include: Australia, Belgium, Canada, Estonia, Iceland, Italy, Japan, Korea, Mexico, New Zealand, Switzerland, Turkey and the United States.

a) The information for Chile and Israel only concerns the public sector.

*Source:* OECD (2005, p. 126), *Corporate Governance of State-Owned Enterprises: A Survey of OECD Countries*, OECD Publishing, Paris. OECD (2013, p.54), *Boards of Directors of State-Owned Enterprises: An Overview of National Practices*. Chapter 3 Board composition: Constraints and guidelines, OECD Publishing, Paris. Jackson, G. (2005, p. 4), *Employee Representation in the Board Compared: A Fuzzy Sets Analysis of Corporate Governance, Unionism and Political Institutions*, Industrielle Beziehungen, Vol. 12(3). Kluge, N., M. Stollt & A. Conchon (August 2015), *Worker board-level participation in the 31 European Economic Area countries*, European Trade Union Institute (ETUI).

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