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The Shortfall in Formal Employee Participation at the European Workplace

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The Shortfall in Formal Employee Participation at the European Workplace

Abstract

Cross-country data are used to establish perceived shortfalls in employee involvement based on the responses of employee representatives in EU establishments with formal workplace employee representation. The desire for greater involvement is smaller where workplace representation is via works councils than union bodies, a finding that also obtains across country clusters. However, the favorable influence of the works council institution, if not information provision, does not carry over to situations in which management is adjudged uncooperative and untrustworthy. Whether the views of these respondents are representative of the workforce and hypothetically of a workforce currently without representation is also considered.

JEL-Codes: J530, J580, J830.

Keywords: formal workplace employee representation, works councils, union agencies, information/consultation/participation deficits, union density, country heterogeneity, industrial relations quality.

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1 Introduction

The decline in unionism has prompted fears of a deficiency in worker voice. The alarm bell has been sounded on a number of occasions since the 1980s but was first formally articulated by Freeman and Rogers (1999) for the United States in documenting a substantial shortfall between the type and extent of workplace representation wanted by workers and that currently obtaining. Freeman and Rogers found that a very large majority of American workers – in the range 85 to 90 percent – desired greater collective voice at the workplace than they then enjoyed (as of the mid-1990s) and that, overall, some 44 percent of workers favored union representation.¹ Updated research for the United States seemed to suggest that workers wanted as much or more of a voice in their workplace, and that more than before (now a majority) would vote for unions (Freeman and Rogers, 2006; Freeman, Boxall, and Haynes, 2007; Freeman, 2007).

That said, expressions of a representation gap were found to be much smaller in Australia, Canada, Ireland, New Zealand and the United Kingdom (Boxall, Freeman, and Haynes, 2007). In the case of the U.K., for example, surveys of worker perceptions of the problems they confront at the workplace and the effectiveness of unions (and management) in dealing with these problems offer a more nuanced view.² Thus, as reported by Bryson and Freeman (2007), although there is every indication that workers value unions as sources of wage increases and protection against unfair treatment by management, a majority of them envisage no major workplace problems that would cause them to join unions. Bryson and Freeman further observe that workers want cooperation rather than confrontation, and prefer bodies that cooperate with management to improve conditions than a more defensive organization offering protection against unfair treatment by management. Admittedly there is a certain tension in all of this because cooperation as an equal partner requires power that can be used in a destructive manner and harm industrial relations, while the adoption by management of a cooperative stance may find that unions interpret this as a sign of weakness to be exploited.

Against this backdrop, there is the policy of the European Union. The EU has long sought to promote worker participation in member states based on the twin notions of industrial democracy and economic competitiveness. Thus, Article 27 of the Charter of Fundamental Rights of the EU states that “workers or their representatives must, at the appropriate level be guaranteed information and consultation in good time in the cases and under the conditions provided by Community law and national laws and practices.” Most relevant to the present discussion, Directive 2002 of the European Parliament and the Council of 11 March 2002 sets down a general framework for informing and consulting workers at national level (Official Journal, 2002). The Directive provides for a procedure of general, permanent, and effective information and consultation of workers in respect of recent and probable development in an undertaking’s activities and economic situation, the structure of employment and decisions that

might lead to material changes in work organization and contractual relations.³ As a practical matter, the legislation allows member states considerable freedom of maneuver and indeed the current state of play is that worker participation rights at establishment/undertaking level vary considerably between member states. Nevertheless, there is movement toward consolidating the linkages between the various levels of worker participation, taken to encompass information and consultation, and negotiations (see European Commission, 2015). Bryson and Freeman argue that by January 2000 even the U.K. had joined other nations in establishing a works-council based industrial relations system.⁴

We have fairly detailed knowledge of the types of workplace representation via union bodies or through works councils or similar entities elected by all employees (see, for example, Fulton, 2013). However, our understanding of the frequency of these arrangements, still less their determinants and impact, was largely absent until the publication of the European Company Surveys. It remains the case that there has been no examination of workplace representation from the perspective of the worker side analogous to the individual worker, largely *union-oriented* worker surveys noted earlier. This omission is the motivation for the present inquiry. That is, we shall examine inter al. the involvement in decision making of these formal bodies, the quality of the information provided them by management in terms of its frequency, timeliness and importance, the preparedness of the representation body, and the role of the work climate and trust. In each case, we draw on the Employee Representative (ER) Questionnaire, and hence the opinion of the employee respondent qua representative of the ER-body. A key distinction that will be made is that between a union body on the one hand and a works council or kindred entity on the other. The role of workplace union density will also be examined.

A central empirical finding is that the desire for greater participation is smaller in those circumstances where representation is via a works council-type apparatus rather than through the agency of a union body, the corresponding marginal effect being at least 5 percentage points. Even more pronounced effects are associated with information provision; chiefly where employee representatives are kept ‘satisfactorily’ informed on a number of establishment issues, and where they are asked to give their opinions or are involved in joint decisions in the event of some major human resource decision. In these cases, the marginal effects are quite substantial, being as high as 20 to 30 percentage points. In other words, if information and participation is effective the desire for greater involvement of the employee representative body in decision making is greatly lessened.

These results are robust to subsets of the data based on variations in trust between the parties and the perceived quality of the industrial relations climate, the employee representative typically revealing an overwhelming desire for more participation whenever management is adjudged to be uncooperative and untrustworthy. But trust alone was insufficient to overcome

what was perceived to be ineffective dialogue between worker representation and management at the workplace. Indeed, our findings point to an across-the-board deficit in the perceived involvement of EU workplace employee representative bodies in decision making that can be traced back to the quality and timeliness of information provision, inter al. This shortfall is observed in all types of establishments, for either type of formal workplace representation, both with and without formal workplace representation and, by extension, also it would seem in establishments without any workplace representation at all.

The plan of the paper is as follows. A brief review of the ECS literature on workplace representation, along the dimensions of incidence, effects on firm performance and behavioral outcomes precedes a description of the principal dataset used in this inquiry. Our modeling strategy is next addressed to set the scene for the main hypotheses being tested. Our detailed findings are then presented. A discussion concludes.

2 Literature Review

We preface a brief review of the ECS literature with some findings on workplace committees from the U.S. Worker Representation and Participation Survey (WRPS) as augmented by surveys conducted by Peter D. Hart Associates and summarized by Freeman (2007). Freeman observes that workers desire a workplace-committee form of representation. Specifically, the suggestion from the WRPS is that, given a choice between a union and a joint management employee committee that would meet and discuss problems, a little over one-half (52%) of workers selected the workplace committee option, and a little under one-quarter (23%) chose unions, the balance of opinion either being in favor of increased legal protection or opposing any independent organization at all. The subsequent poll data pointed to no less than 76 percent of workers being desirous of material institutional change that would grant them voice at the workplace, either in the form of a workplace committee or union representation or both.⁵ Given that the gap between what workers want by way of unionization is greater in the United States than elsewhere, there is every indication that institutions matter and that worker perceptions as to the efficacy of their involvement likely reflect differences in the role of the workplace employee representation bodies.

Using data from the Management Questionnaire of the 2009 ECS, Forth, Bryson, and George (2017) were the first to offer a detailed explanation of the pattern of workplace employee representation – its incidence and type – in the (then) 27 countries of the EU, and, as a subsidiary exercise, to examine the behavioral (industrial relations) implications of the voice institutions. The authors show that the incidence of workplace representation is strongly correlated with the degree of centralization of a country's industrial relations regime, being more prevalent in those nations where the dominant level of collective bargaining is above company level. Workplace representation is also more prevalent where there is legislative

support for social dialogue at workplace level and where public confidence in unions is higher (as indexed by the mean score of a country in the 2008 European Values Survey), in both cases lowering its supply cost. Industry rents, as proxied by the relevant sector price-cost margin, are also an important determinant of workplace presentation, albeit of the union type rather than works councils. Finally, as regards the behavioral impact of workplace representation, Forth, Bryson, and George regress their binary indicators of the climate of industrial relations, the quit rate, and employee motivation on trade union/works council representation and a full set of workplace characteristics. In a first specification, the authors consider the contribution of a simple presence of any trade union or works council representation as opposed to no workplace representation at all. In a second specification, they replace this generic measure with three categorical indicators, namely trade union representation only, works council representation only, and the presence of both union and works council representation. The former exercise suggests that the presence of either form of representation is associated with a greater probability of observing a strained work climate. However, workplace representation as measured plays no role in influencing either worker motivation or staff retention. Turning to the second specification, only where representation is dual channel in form is the variable statistically significant; that is, workplaces having both workplace representation entities present are again more likely to have a strained climate than workplaces with no formal representation but on this occasion less likely to report problems with staff retention.⁶ For this reason, we shall also consider the impact of local union organization here in the form of the workplace union density.

In the next ECS study examined here, van den Berg et al. (2013) investigate the impact of different types of “information and consultation body” by exploiting differences at a level of aggregation higher than the firm.⁷ The authors investigate the impact of the information and consultation body on a subjective measure of the firm’s economic situation. In addition to workplace representation, their model also includes the presence or otherwise of a trade union in the firm, along with a set of detailed controls for workforce and firm characteristics, sectoral labor agreement, human resource management practices, and personnel-related arguments. In a second specification, the *attitudes* of the employee representation body, either positive or negative as assessed by management, enter as added controls. But the hallmark of both specifications is the prior grouping of nations into five clusters, according to whether worker representation conforms to the Germanic, French, Anglo-Saxon, Scandinavian, or Transitional Economy models.⁸ Interestingly, it is reported that the information and consultation body has a negative impact on performance in the Germanic 3-nation cluster (Germany, Austria, and the Netherlands) but is strongly positive in the 2-nation Anglo-Saxon cluster (Britain and Ireland). The interpretation offered is that where worker involvement is voluntary the firm may benefit from installing such representation. It is also reported that union presence has a negative effect

in the French and Transitional Economy clusters “underscoring the more active and ideological role of trade unions in these parts of the EU” (van den Berg et al., 2013: 42). The combined effect of union presence and worker representation for the Germanic and Anglo-Saxon clusters reinforces the differential effects of worker representation noted earlier. The authors’ second specification, which introduces the attitude variables, suggests that a positive management view of the worker involvement process is associated with improved economic performance in all but the Anglo-Saxon and Transitional Economy clusters. In short, a positive mutual relationship between management and the worker representation agency is said to stimulate firm performance. Further, the combination of union presence and a positive attitude generally produces a beneficial effect on firms’ economic performance.

The final study considered here by Addison and Teixeira (2017) examines strikes using data from the 2009 and the 2013 surveys. The emphasis of this study is squarely upon the two types of formal workplace representation, although union organization and its interaction with workplace representation also receive attention. For their baseline model in 2009, the authors report that a ‘prevalent’ works council agency is associated with lower strike incidence than a ‘prevalent’ union agency. Prevalence refers to either of two situations: first, where the works council (or union entity) is the sole workplace representation agency; and, second, in circumstances where dual systems of workplace representation are present, by the revealed identity of the employee respondent as either a works councilor or a member of the union agency. That is, in the latter case, if the person interviewed is a works councilor (union agency member), then the works council (union entity) is assumed to be the predominant workplace representative agency. As far as union organization is concerned, the major impact on strikes is direct, operating through union density at the workplace and which is found to be associated with greater strike volume. However, some important changes are observed for the second wave of the ECS. In particular, the differentiated role of workplace representation through works councils on the one hand and union agencies on the other emerges as increasingly indistinct. A final result is that good industrial relations appear key to strike reduction independent of the role of workplace representation.

The above literature has a number of implications for the present study of a shortfall in collective voice, or representation gap, and vice versa. First, there is a clear case to be made for taking account of the *two* different types of formal workplace representation, while recognizing the potential importance of the wider industrial relations regime. This distinction is rooted in the collective voice model (Freeman and Medoff, 1984), which although applied initially to unions alone was subsequently used to differentiate between potentially more deliberative voice entities such as the works council on the one hand and union workplace entities likely more concerned with redistribution on the other (Freeman and Lazear, 1995), again subject to considerations of

complementarities or otherwise with the wider industrial relations structure. Second, the ECS offers a rare opportunity to peer inside the black box of the voice mechanism, and should help inform the literature on the seemingly disparate behavioral and economic impacts of workplace representation (not least the finding that the impact of the works council is not a datum within a given country). Here we refer in particular to role of factors such as the resource base and functioning of employee representation, the standard of information disclosure and the extent of consultation and participation it enjoys, and the climate of industrial relations (even if missing data on union membership effectively preclude our being able to exploit the diversity produced by differing degrees of union penetration of the respective workplace representation entities). Each of these factors is a potential determinant of the perceived shortfall in desired employee workplace representation, as captured here by the aspiration of the employee representative body for greater involvement in decision making in the establishment. Third, it should not go unsaid that the bottom line of the present inquiry, like that of its predecessors based on surveys of workers, is of an across-the-board representation gap; that is, all employee representatives, including works councilors, are desirous of greater involvement in decision making than they currently enjoy. This raises the important question for policy of how much is more? Answers to this question lie strictly beyond the scope of the present inquiry, partly by reason of the cross section nature of the dataset and its neglect of non-union forms of individual voice that have been increasing through time (on which see, for example, Bryson et al., 2013). Nevertheless, the issue would appear to hinge on the erection of alternatives to the right-to-manage default rule (see, for example, Harcourt, Lam, and Croucher, 2015; Hirsch, 2004).

3 The Dataset

This study uses the Employee Representative (ER) Questionnaire of the 3rd European Company Survey (ECS) of 2013, sponsored by the European Foundation for the Improvement of Living and Working Conditions. Observe firstly that the key question (Q42a.A) used in the present inquiry – whether *the employee representation body should be involved more in the decision making in [the] establishment* – is unique to the 2013 survey.⁹ And note secondly that the sample is necessarily restricted to those establishments with an employee representation body *and* whose representative was interviewed. Our sample therefore does not include establishments for which there is no employee workplace representation or those whose ER interview is missing.

Only one employee representative is selected to be interviewed in the ECS Survey, who then defines the type of employee representation obtaining at the workplace. In practice, all that is required is the use of the variable (viz. *er_type_er*, available in the raw ER dataset file) identifying the *leading* employee representation body, based on the information supplied by the

ER respondent; by definition, a person *who is entitled to represent the opinions of the leading* employee representation body at the workplace (see the 3rd ECS Technical Report, p. 16/82).

For the purposes of our analysis, it is also necessary to draw a distinction between formal and informal workplace representation, even if the latter will be excluded from much of our discussion. By way of illustration, formal workplace representation in the United Kingdom requires the presence of some recognized shop floor trade union representation or of a joint consultative committee, any ad hoc form of worker representation being classified as informal. Further, a *Delegado de personal* in Spain or *Delegado sindical* in Portugal, for example, will also be classified as (forms of) informal representation, while *Sección sindical* and *Comissão sindical/Comissão intersindical*, respectively, signify the presence of a formal union entities at the establishment. Purely occupational safety and health committees are also treated as informal representation.¹⁰

Appendix Table 1 presents the various national types of formal workplace representation as of 2013. Based on this information, we then define for each country the corresponding works council and union dummies. The works council dummy is defined as equal to one if the works council is either the sole agency at the workplace or, when both works council and union bodies coexist, it is the leading entity by virtue of the identity of the employee representative – and similarly for the dummy flagging the union representation presence.

The incidence of ‘union’ versus ‘works-council’ bodies is summarized in Table 1. For each country we have two disjoint sets of union and works council establishments, with each column giving the corresponding percentage of each in the total. As can be seen, 6,249 establishments have formal representation bodies, of which 46 percent are works council type entities and 54 percent are union agencies. Different sets of countries can also be identified, although we remit the discussion/analysis of country clusters to section IV.

[Table 1 near here]

A second major aspect of our dataset construction concerns the resource base of worker representation and the method of management communication with that body. The resource base includes issues of training and time allotted to representation, inter al., while information provision focuses on the type of information provided and the manner of its provision. These variables are either directly extracted from the raw ER questionnaire or generated by our Stata coding combining two or more survey questions. We selected the following four qualitative variables from the survey: *employee representative is elected*; *employee representative receives training*; *frequency of meetings with management*; and *time allocated to employee representation is sufficient*. The first variable indicates whether the representative was elected as opposed to being appointed; the second, whether the representative had received training related to his/her role; the third, the frequency of meetings (a 1 to 5 ordered variable such that the

higher the value, the lower is the frequency); and the fourth indicates whether the time allocated to representation was adjudged sufficient by the respondent.

Next, of particular importance is the variable signifying the quality of information provided by management to the employee representation body. In order to generate this variable, we used questions 21 and 25 of the ER Questionnaire to generate a dichotomous variable flagging whether the information provided to the ER body on five issues affecting the establishment (see Appendix Table 2) was ‘satisfactory.’ Where management provided no information (on this range of issues), we simply presumed that information provision was unsatisfactory (and coded the variable as zero).

For a subset of establishments, the ER Survey also gives information on situations in which major human resource (HR) decisions were taken by management in the preceding 12 months that affected the entire establishment (e.g. working time arrangements and various restructuring measures). This reduced sample comprises a maximum of some 5,600 establishments for whom it is possible to determine whether the employee representatives were informed by management, as well as assess the perceived influence or otherwise of the employee representative body in decision making on HR issues. In practice, this involved constructing the following four dummy variables: *the ER body was not informed at all by management*; *the ER body was only informed*; *the ER body was informed by management and asked to give its views or involved in the joint decision*; and *the ER body had some or a strong influence on the management decision*.

Finally, three establishment size dummies and six sector dummies are also included in the model specifications given below. Full definitions of the variables are given in Appendix Table 2, the corresponding Stata coding being available upon request.¹¹

4 Modeling Strategy

Our sample comprises 28 European countries in which we observe highly heterogeneous units (establishments) both within and across countries. As a first step, we nest all units i in group (country) j and then model unobserved country heterogeneity by using group-level random intercepts u_j to yield the two-level mixed effects logistic regression:

$$y_{ij} = x_{ij}B + u_j + u_{ij}. \quad (1)$$

In this setting, the dependent variable y_{ij} denotes a shortfall in desired participation, a dichotomous variable extracted from the question on whether the employee representation body should be more involved in decision making, taking the value of 1 where greater involvement is either strongly or very strongly desired, 0 otherwise. Hopefully, the set of establishment characteristics x_{ij} is rich enough to capture most if not all establishment-level heterogeneity. If, to simplify, the underlying (real world) model is given by $Y = XB + U$, with (X, U) determining

Y , taking the conditional expectation we have $E(Y|X = x, U = u) = xB + u$. In this case, all sources of variation are taken into account and we have Y conditional on both X and U . If, however, one only conditions on X , we have $E(Y|X = x) = xB + E(U|X = x)$, which may not yield $y = xB + u$. In other words, running the hypothetical, deterministic model in (1) will not necessarily generate a U -constant (Y, X) relationship. The causal effect of X on Y will not be identified. But the richer is the set of RHS variables, the greater is the chance that the two approaches will be *ex post* equivalent (see Heckman, 2008).

If one suspects that workplace representation might be adopted endogenously, the first-pass solution in the above framework is to include a wide range of observables. But we can also proceed in assessing the role workplace employee representative agencies by exploiting the national idiosyncrasies in our dataset; specifically, by using selected environment subsets. In short, although we cannot establish definitive causal relationships, our cross-section data nevertheless offer workable ‘lab’ experiments in which we group different sets of countries so as to evaluate the sensitivity of the baseline model. Given sufficient stability of national environments, this experimentation will strengthen the hypothesized correlational relationships specified in model (1).

Accordingly, we define four groups of countries, denoted by S1, S2, S3 and S4 in Table 2. S1 and S2 contain countries that are exclusively works council only and union only workplace representation regimes, respectively. For their part, S3 and S4 constitute mixed or dual workplace representation systems but in which we can identify nations as (predominantly) works councils-rule and unions-rule countries, respectively. These sets share important commonalities. In particular, in S1, S2, and S3 the presence of formal employee representation is high, while in S4 it is low. In turn, the shortage in desired participation is sizeable across all four sets, with a mean of 63 (in S1) and a maximum of 77 percent (in S4), as will be seen in Table 3 below. We should enter the caveat that two countries – France and Slovakia – do not meet the definitions required characteristics to populate any of the four country clusters.

[Table 2 near here]

For estimation purposes, we will combine the four subsets in a particular manner. By way of illustration, consider S1 and S2. Clearly, based on these two groups, it is not possible to predict what would be the shortfall in desired participation had an ‘uncovered’ establishment, say, in Germany or Sweden been covered by an ER body. (By construction, all included units are always ‘covered’ by some type of workplace representation.) However, we are in a position to know whether a union entity in S2 and a works council in S1 express a similar desire to have more participation in decision making, other things being equal. Let us assume for example that the quality and timeliness of information provision is about the same in the two sets. In such circumstances, the determinants of the perceived shortage are not likely to be too different. From this perspective, one might conjecture that the particular type of workplace representation

in place is of no importance, and that only ‘coverage’ and the provision of quality information matter. An analogous exercise can be conducted using different country combinations (see section V).

We supplement the analysis of the baseline model using variations in trust and cooperation between the parties (i.e. the quality of industrial relations in a broad sense). In this case, we deploy the following four variables: *management makes sincere efforts to involve the employee representation*; *the relationship between management and employee representation is hostile*; *management can be trusted*; and *a good or very good work climate at the establishment*. (Again, a full description of these variables is given in Appendix Table 2.) Our approach therefore will be to use different subsamples in order to uncover useful patterns in the data (see the discussion of Table 7 below). The corresponding results will then inform us about the possible role of the included factors in selected environments. We would anticipate that lack of management commitment, a hostile relationship between the two parties, an untrustworthy management, or a bad work climate will tend to be associated with a patent shortfall in desired participation, irrespective of the form of workplace representation as presumably in this scenario the type of information provision will be rather poor. In turn, if for example the workplace environment is non-hostile, then one might expect a greater desire for involvement whenever the dialogue between the parties is less than effective, which in turn is a function of the quality of information provision and the actual level of influence in decision making.

5 Findings

Table 3 provides the establishment-level means of the key variables included in the baseline model by type of workplace representation, and also by country clusters, both for the entire sample and for the reduced sample of establishments with a major HR decision in the last 12 months. There is a visible shortfall in participation, our dependent variable derived from answers to question 42a (item A). On average, respondents are desirous of greater involvement in more than 70 percent of the cases. There is also some suggestion that this perceived shortfall in workplace representation is higher among union than works council establishments (by a 10 percentage point margin) while this shortfall ranges between 63 to 77 percent across the different country subsets. But observe that the perceived deficit in workplace representation is across the board.

[Table 3 near here]

Regarding the other arguments in panel (a) of Table 3, those in the second block dealing with the resources and functioning of the ER body have means that are quite flat for establishments in the first three columns. That said, the variability across the country subsamples is clearly greater, especially with respect to the percentage of elected representatives

and the likelihood that the representative received training. Here, elected members are more common in S1 and S4, while training is more common in S1 and S2. However, in no case for the country subsets does the difference exceed 20 percentage points.

Differences in the provision of information in the third block of panel (a) of the table seem to be even smaller across columns. Satisfaction with information provision is lower in union establishments (by a 10 percentage point margin) and it is also smaller in union-only and unions-rule countries (i.e. in S2 and S4). In establishments with major HR decisions – shown in panel (b) of the table – the differences across samples are clearly smaller than in panel (a), suggesting that in difficult times or in times of disruption communication tends to improve somewhat, while the desire for participation is elevated.

Although differences across columns in the table are never dramatic, they are in our view appreciable enough for us to anticipate that the observed variation can be helpful in designing strategies with a view to establishing robust correlational relationships in the data. Before turning to these however, an issue worth pursuing at this point is whether the desire for more participation by the ER body is also shared by the employees at the establishment. In other words, is the ER representative a reliable source of the views of all employees at the workplace or is it the case that the respondent simply represents the views of the ER body? There is in fact no obvious indication in the data that the respondent's view is at odds with that of the generality of employees. Our test is perforce indirect as only the opinion of the ER respondent is recorded in the ECS survey. To make the case as clearly as possible, we consider the subset of establishments with recent experience of a major HR decision (see panel (b) of Table 3). We then use the answers to questions Q20A and Q20B of the ER Questionnaire to search for any obvious contradiction in the respondent's assessment of the shortage in workplace representation. Our testing hypothesis can be stated as follows: if the respondent disagrees with the statement in question Q20A (that is, if he/she says that 'employees do not value the work of the employee representation'), while at the same time also disagreeing with the statement that 'employees rarely express interest in the outcome of consultations or negotiations' (question Q20B), then the shortage in desired participation should be expected to be at its maximum because in this case the ER body is presumably not delivering the goods. If our prediction is correct, the conclusion would be that the ER respondent is probably reliable in expressing the overall view of employees. The diagnosis is given in Appendix Table 3: The mean of 84 percent in the first column of that table suggests that the representative is not an unreliable source of the opinion of the employees.¹²

Table 4 presents the results of the multilevel, mixed effects logistic regression of the baseline model specified in equation (1). Column (1) uses the full sample of establishments with formal workplace representation, while column (2) restricts the sample to those units with a major HR decision taken in the last 12 months and for which we have additional information.

The table thus provides the responses of the leading representatives of employee representation bodies at the establishment level as to their perceptions of the degree of involvement in decision making of their agencies, conditional on the set of observables. As hypothesized earlier, works council establishments are likely in practice to seek – or to be granted – greater involvement of the employee representation body in decision making. In consequence, we expect any deficit in participation to be smaller in such establishments than among their counterparts with union workplace representation. Indeed, we obtain a highly statistically significant negatively signed works council coefficient estimate in the first block of regressors, with a corresponding marginal effect of 9 percentage points in column (1). The marginal effect in this case gives the change in the outcome variable associated with a change in works council dummy from 0 to 1, setting all the random intercepts at zero (their theoretical mean). The statistical evidence on the relationship between an establishment's union density and the shortfall in participation is much weaker, with the respective marginal effect not being statistically different from zero. The results in column (2) confirm the works council result, while union density is now statistically different from zero at the .05 level, suggesting that the variable is somewhat more of a factor under major changes in the organization.

[Table 4 near here]

The second block of regressors detail the scope of workplace representation, namely, its resource base and the method and manner of communication. For all four selected covariates the relationship is highly statistically significant (at the 0.01 level): a positive correlation in the cases of an *elected employee representative* and a *trained employee representative*, and where there is (low) *frequency of meetings with management*; and a negative association in circumstances where the *time allotted to employee representation is adjudged sufficient*. Alternatively put, an adequate level of involvement requires specific skills (which can be learned), some frequency of meetings with decision makers, as well as a sufficient amount of time being allocated to the representation process. Unsurprisingly, elected representatives express a heightened desire for greater involvement of workplace representation in decision making or, equivalently, a greater degree of dissatisfaction regarding the actual level of involvement, with a marginal effect of 6 percentage points in both columns (1) and (2).

A key aspect is the role played by the provision of information in general, the hypothesis being that the higher the degree of satisfaction with the information provided by management, the less likely are employee representatives to press for greater involvement in decision making. Recall that the variable measures the extent to which the *Information provided by management to the ER body* (covering areas such as the financial and employment situation of the establishment, the introduction of new products/services and processes, and even its strategic plans) is adjudged satisfactory by the employee representative. The well determined

negative sign of the coefficient confirms this expectation (and the converse), with very large marginal effects of 27 and 22 percentage points in columns (1) and (2), respectively.

The major decision variable in column (1) suggests that, other things equal, major threatened disruptions in establishment activities are likely to generate an increased desire for ER involvement. This relationship is captured by the positive coefficient of the variable, which is highly statistically significant and implies a marginal effect of approximately 10 percentage points.

As was noted earlier, for the subset of establishments in column (2) – that is, establishments where a major decision was taken by management in the last 12 months – we have an extended number of arguments that pertain to the quality of information provision together with a single measure of the perceived influence of the ER body in the ensuing decision making process. In the former category, we have three qualitative information levels: no information at all (the omitted category); information provision but no substantive involvement of the ER body; and information provision complemented by discussion and joint decision making. In the case of the perceived influence variable, we deploy a dummy equal to 1 if the ER body had some or a strong influence on the management decision, 0 otherwise. The hypotheses are (a) that the higher is the quality of information provision on major decisions, the smaller the shortfall in desired participation, and (b) that the perceived shortfall will be lower the greater the actual influence of the workplace employee representative body in decision making. The marginal effects are as expected and again quite substantial at 13 percentage points in the former case and 6 percentage points in the latter.

Note finally that model (1) assumes that country heterogeneity is captured by our mixed effects implementation. The model therefore gives an estimate of both the role of observables and the unobservable random country effects. The log-likelihood ratio diagnostic test at the base of the table indicates that the null of a zero random variation in the intercept is comfortably rejected.

Our main concern in Table 4 has been to detect regularities across a wide spectrum of countries on the relationship between employee representation and the perceived level of satisfaction regarding the level of participation in decision making. The main result has been the suggestion that works council representation is associated with a lower degree of dissatisfaction. Alternatively put, representation through different channels is an issue from the point of view of the effectiveness of the management-employee representation dialogue. But although our hierarchical, mixed-effects model, which controls for unobserved country heterogeneity, is strongly suggestive, it remains to be seen whether the revealed association is driven by any particular set of countries. Accordingly, the trail now returns to the role of information provision and communication in different country subsets.

The results of fitting the model to country subsets are provided in Table 5. Note that these country subsets are based on actual country practices regarding employee representation, not on any a priori country grouping. Secondly, from a total of 12 (meaningful) cases containing one, two, and three sets of countries, we focus on just 6 of them.¹³ These are: Case 1, which includes establishments in S1 and S2 countries; Case 2, with establishments in S3 and S4; Cases 3 and 4, respectively comprising S3 and S4 establishments only; Case 5, with establishments in S1 and S4; and, finally, Case 6, with establishments in S1 and S3.

[Table 5 near here]

For each case, we again provide results for all establishments (columns (1)) and for those establishments with a major HR decision (columns (2)). This procedure is intended to make comparisons with the baseline model in Table 4 more straightforward. Case 1, for example, addresses the issue of whether perceived dissatisfaction is similar in ‘works council only’ and ‘union only’ countries, controlling for other covariates. Given the country subsets described in Table 2, our presumption in this case is that the works council and union workplace representation entities are unlikely to perform very dissimilar functions. In other words, once the resource base and the quality of information are taken into account, it is probable that the association between the perceived shortfall in participation will be broadly similar across establishments in S1 and S2 nations. However, according to our estimates, for Case 1 in column (1), there is a statistically significant difference – at the 0.1 level – across the two types of representation, although this result does not carry over to column (2). All the other marginal effects have the expected sign. Their statistical significance is generally smaller than in Table 4, a result that can be attributed to the corresponding reduction in sample size.

In Case 2, we compare establishments in ‘works councils-rule’ countries with those in ‘unions-rule’ countries, in S3 and S4, respectively. Both the minority establishments with union agencies in S3 and works councils in S4 are retained in the estimation sample. The goal here is to examine both the role of employee representation and the importance of the resource base and quality of information provision in countries that have a distinct ‘majority’ practice. The source of variation in this case arises from the comparison of works councils and unions entities, both present in S3 and S4 countries.

We confirm in columns (1) and (2) that the marginal effect of the works council variable is again negative. Contrary to Case 1, the union density argument is now statistically significant (and positive). Given the increase in sample size, all the other arguments have the expected signs and in general a higher level of statistical significance.

Case 3 serves to test whether it is possible to distinguish works councils from union agencies, now exclusively based on the subset of works councils-rule countries. We obtain a statistically significant negatively signed coefficient estimate in both columns (1) and (2), with the corresponding marginal effects falling within the 5 to 7 percentage point range. A similar

exercise is conducted for Case 4, that is, within the unions-rule countries. Here, the less than 25 percent of establishments with works council representation are sufficient to confirm that establishments having works council representation are seemingly associated with a lower level of dissatisfaction. Finally, the role of employee representation is examined contrasting works councils in S1 and S4 with (majority) union agencies in S4 (Case 5), and works councils in S1 and S3 with minority (union) agencies in S3 (Case 6). In both cases our priors are again confirmed.

In sum, there seems to be no reason to suspect that either the role associated with the type of workplace representation, or the role of the resource base and the provision of information, is specific to a particular ‘environment.’ That is, union representation is generally associated with a higher level of dissatisfaction, and deficiencies in the machinery of representation and a poorly informed employee representation similarly reflected in demands for greater involvement of the agency in decision making.

[Table 6 near here]

We next examine the baseline model using variations in the quality of industrial relations. We expect lack of engagement on the part of management, or an absence of trust between the parties, to be associated with widespread dissatisfaction among the cadre of employee representatives. It remains therefore to be seen whether a ‘bad environment’ is associated with a desire for more participation in decision making independent of the type of workplace representation. In turn, if the ‘environment’ is more favorable one might expect the shortfall in participation to be dependent on the provision of information. In these circumstances, might not one conclude that ‘effective’ ER-management interaction is more often found in works councils than in union workplace representation agencies, all else constant? We address this issue by separating the sample into relevant subsets of good and bad industrial relations quality, according to the four selected industrial relations indicators.

To begin with, we present some descriptive statistics in Table 6. For illustrative purposes, we will focus on panel (a) of the table and just consider the case of the variable *management makes a sincere effort to involve the employee representation in solving joint problems*. It can be seen that there is a lack of engagement by management in a minority of cases (viz. 20 percent of the total); that this lack of cooperation is strongly associated with the shortfall in participation (in 92 percent of the cases). Observe also that union workplace representation tends to be associated with a greater shortfall in desired participation in the presence of a sincere effort by management to involve employee representation in solving joint problems. These results are replicated in their entirety across panels (b) through (d) of Table 6.

Table 7 provides the corresponding multivariate analysis for all four cases examined in Table 6, and now identified as Cases 1 through 4. For each case, we have two separate samples in columns (1) and (2), comprising establishments in which according to the responses of the

employee representative interviewed the ‘quality’ of industrial relations is adjudged to be ‘high’ and ‘low’ (or, for one of the cases, by no means hostile and hostile). The shortfall in workplace representation is again our dependent variable. In column (1) for Case 1 we confirm that the desire to be more involved is higher when representation is via a union entity rather than through a works council; and that the desire is an inverse function of the effectiveness of the interaction between the two parties (as proxied by adequate information provision and influence in decision making). Column (2) in turn indicates that there is insufficient variability across the two types of representation. That is to say, lack of engagement by management is associated throughout with insufficient information and influence.¹⁴ These disparate results are also found for Cases 2 through 4, and where the variation in statistical significance can be related to pronounced changes in sample size. Our conclusions are therefore as follows. A ‘bad’ industrial relations environment (characterized by a lack of engagement by management, or the presence of a hostile relationship, or a lack of trust in management, or an absence of a good/very good work climate) is associated with a greater shortfall in workplace representation and basically no role is played by the workplace type of representation. The corollary is that whenever the industrial relations environment is ‘good,’ the presence of works council is in general associated with a higher level of satisfaction regarding participation in critical decisions of the organization and manifested in a lessened desire for more involvement.

[Table 7 near here]

Finally, although establishments with informal employee representation – that is, any ad hoc form of worker representation – are not included in our regressions, we can nevertheless use information on this group to assist us in gauging the attitudes toward workplace representation of those employees who currently have no representation at all and who are not surveyed in the ECS. Descriptively at least, the two groups of establishments are not too different in size and sector affiliation. For example, considering the size classes of 10 to 49, 50 to 249, and at least 250 employees, we observe employment shares of 70, 24, and 6 percent for establishments with informal representation as compared with 61, 29, and 6 percent for their counterparts with no employee representation. In turn, concerning sector affiliation (six industries), the differences in the corresponding shares are also small (i.e. less than 6 percentage points) across the two groups of establishments.¹⁵

[Table 8 near here]

With these broad similarities in mind, we would make the following two observations. First, it transpires that respondents in establishments having only informal representation evince a strong desire for greater involvement in decision making. At 70 percent, this aspiration is virtually the same as in establishments with formal representation (71 percent). There is therefore no descriptive evidence to suggest that employees in these establishments (strictly, their representatives on informal bodies) are any less desirous of participation than their

counterparts in establishments with formal workplace representation, despite the obvious differences in the nature of their representation. Second, when we rerun the regressions in Table 4 for establishments with informal representation alone it can be seen from Table 8 that there is again every indication that lack of quality information is again associated with an increased shortfall in participation. Despite the rather small estimation sample in Table 8, we find strong statistical support for the argument that information provision is a key determinant of the shortfall in desired participation. For the sample shown in column (1) of the table, the marginal effect of the provision of satisfactory information is a 26 percentage point reduction in the desire for greater involvement in decision making. And for the yet smaller sample of establishments in which some major HR decision had been taken, shown in column (2), there is a comparable reduction of 28 percentage points. Moreover, had the information provision/participation of the (informal) workplace employee representation body been more extensive, the probability of a perceived shortage in participation would have declined by approximately 27 percentage points. This is much larger than the corresponding marginal effect of 13 percentage points in Table 4. The suggestion is, therefore, that informal bodies may not be delivering the goods. Given this evidence, we would conclude that it is unlikely that workers in establishments *without* workplace representation would have expressed a substantially lesser desire for participation had they been asked.

6 Conclusion

This paper was primarily motivated by Freeman and Roger's (1999) well-known study *What Workers Want*, which uncovered an acute shortfall in collective voice at the workplace – and, secondarily, by the swathe of EU legislation seeking to promote worker participation. Inauspiciously, there has been no recent examination of workplace representation from the perspective of the worker side analogous to the individual worker, largely union-oriented surveys such as that referred to above (see also Freeman, Boxall, and Haynes, 2007).

Our overriding concern has been with formal local workplace representation in its two principal guises, namely work council-type agencies and union-type entities. Data from the Employee Representative Questionnaire of the third European Company Survey was used, firstly, to establish the extent to which there was a perceived need for greater involvement of these bodies in decision making – our measure of the potential shortfall in this form of voice – and, secondly, to identify the sources of differences in these magnitudes. In the latter context, in addition to the influence of type of workplace representation, the key variables examined were the resource base and functioning of employee representation, the standard of information provision, and country heterogeneity. For a subset of establishments where major decisions had been taken by management that affected the entire establishment (such as working time arrangements and various restructuring measures), considerably more detail on information

provision extending into the areas of consultation and participation was available and was also exploited.

Our modeling strategy first involved estimating a two-level mixed effects baseline model across all 28 nations in the sample for all establishments and for the subset only containing those establishments where major decisions had been taken by management. Next, we identified groups of countries according to four types of workplace representation that were subsequently used in different combinations to allow us to evaluate the sensitivity of the baseline model. In a final application, again for the subset of establishments subject to major management decisions likely to affect the entire workforce, we sought to uncover the mediating influence of the perceived quality of industrial relations.

The major result from our baseline model was that the desire for greater involvement in decision making is indeed smaller in those circumstances where workplace representation is via a works council-type apparatus rather than through the agency of a union body – a result that we would attribute to the enhanced collective voice properties of the works council and an integrative as opposed to distributive bargaining process. Interestingly, this result also obtained across a variety of country subsets or clusters. That is to say, the ‘works council effect’ seemed to hold when we compared establishments in countries in which the only representative institution allowed at the workplace is the works council with those in union agency only nations, as well as those situations in which establishments are selected from countries with dual systems that are either predominantly ‘works council ruled’ or ‘union ruled.’ It was also the case that in certain of these subsamples union density was now associated with a desire for greater involvement/greater perceived shortfall in representation.

Support was also adduced for the argument that where employee representatives are kept sufficiently (i.e. ‘satisfactorily’) informed on a number of establishment issues (e.g. the financial situation, the introduction of new products and processes, and strategic plans with respect to business targets and investments) the desire for greater involvement of the employee representative body in decision making is lessened, and that this is also the case in circumstances of major organizational change where the worker representation agency is informed by management and asked to give their views or is actually involved in joint decision-making. Other dimensions, such as the frequency of meetings with management and the generosity of time allotted to representation activity also show the expected relationships. These and other results suggesting that effectiveness in representation matters accord with the finding in the wider works council literature in particular that the impact of employee workplace representation not a datum. Furthermore, when we reran the equation(s) by country subsets the bottom line was that the roles earlier attributed to type of workplace representation, to the resource base, and to the provision of information were not specific to a particular environment.

In a separate exercise dealing with subsets of the data based on variations in trust between the parties and the perceived quality of the industrial relations climate, the employee representative typically revealed an overwhelming desire for more participation whenever management was adjudged to be uncooperative and untrustworthy. On this occasion, any positive influence of the type of workplace representation, although not information provision, in mitigating the desire for greater involvement in decision making was dominated by adverse industrial relations.

Finally, we offered some informed speculation on two further issues. First of all, are the employee representatives a reliable source of information on how the *workers* they represent feel about the need for greater involvement? Second of all, can the results of the present exercise be generalized more widely to workers in establishments without any representation, formal or otherwise? We investigated the former question by searching for inconsistencies between (a) the answers of the respondent to the main question on the need for greater involvement of the ER body in decision making on the one hand and (b) his/her responses to questions concerning the appreciation (or otherwise) of employees with the work of the employee representation agency as well as their interest (or otherwise) in the outcome of consultations and negotiations with management on the other. We investigated the second question by examining the expressed desire for greater involvement in decision making in establishments with informal as opposed to formal representation, on the grounds the former establishments share structural commonalities with plants in which workers have representation. We tentatively concluded that the views of employee representatives are in all likelihood representative of the workforce and that, given the similarity between formal and informal regimes in the desire for greater involvement, workers in establishments without representation are probably no less desirous of representation than their counterparts in plants with formal representation.

Finally, this brings us to the vexed question of policy, given the finding of an overall deficit in their involvement in decision making reported by workplace employee representatives taken in conjunction with the emergence of some positive economic returns to workplace representation in studies using the ECS (and more widely of course in the collective voice literature). The prerequisites for legal reforms in this area have been identified by Hirsch (2004: 439), who argues that they should be value enhancing to both the parties and the economy, involve a greater role for voice within nonunion as well as union workplaces, allow for variation in workplace governance across heterogeneous workplaces, permit flexibility within workplaces over time, and limit rent seeking on the part of worker organizations, inter al. He identifies two lines of approach that may be value enhancing for the United States. The first is conditional deregulation, which perhaps has most obvious appeal in the United States given the strictures of section 8 (a)(2) of the National Labor Relations Act. The second involves changes in the labor

law default away from its setting of *non-unionized* to another standard that promotes the value-enhancing arrangements, while limiting the ability of works councils to appropriate rents. Hirsch (p. 443) concludes that the latter constraint is real so that the new default will have to tread a difficult path, although he deems it ‘worth a try.’ Options that are more directed toward other countries are offered by Harcourt, Lam, and Croucher (2015) who set out a combination of process and content defaults to address different situations. Arguably, European legislation is moving in a more flexible direction even if the mix between mandatory and waivable terms is necessarily unsettled (on which, see Thomsen, Rose, and Kronborg, 2016).

Endnotes

1. The findings are based on the *Worker Representation and Participation Survey* 1994; see also section II.
2. See, respectively, the Workplace Employee Relations Survey 1998 and the British Worker Representation and Participation Survey 2001.
3. The legislation complements the information and consultation provisions of extant law on collective dismissals (Directive 98/59/EC of 20 July 1998), transfers of undertakings (Directive 2001/23/EC of 12 March 2001) and, in the transnational context, on European Works Councils (Directive 94/45/EC of 22 September 1994).
4. Strictly speaking, they are referring to the reversal of the U.K. opt-out from the 1994 European Works Council Directive establishing works councils in large multinational firms. Separate U.K. legislation on informing and consulting workers under the 2002 Directive, and which could lead to the establishment of works councils/joint consultative committees in all firms (with 50 or more employees), came into force in April 2005. The two pieces of enabling legislation were the Transnational Information and Consultation of Employees Regulations 1999, subsequently amended in 2010, and the Information and Consultation of Employees Regulations 2004.
5. Some 39% of workers would vote for an employee association and a union, 35% for an association but not a union, and 2% would vote for unions and not an association. 14% were satisfied with the status quo ante and hence favored neither form of collective voice, and the residual 10% were undecided.
6. For an update of this study using the 2013 ECS, see Addison and Teixeira (2018), who report that workplace unionism blunts the performance of employee workplace representation and elevates contestation.
7. Another study of the 2009 ECS by Jansen (2016) refers to all types of formal workplace representation as “works councils.” However, the hallmark of his study, which examines strike incidence (see below), is upon union organizational power, one key insight of which is the recognition of de facto differences in type of “works council” having to do with differential union penetration. Jansen reports, inter al., that companies in which trade union members make up more than one-half of the local works council are 1.3 times more likely to confront a strike than their counterparts where there is no union majority.
8. It is in this sense that the authors take different employee representation systems into account, the clusters or models supposedly reflecting distinct nation-specific paths and institutional traditions.
9. No such question was contained in either the first iteration of the ECS in 2004-2005 or the European Establishment Survey on Working Time and Work Life Balance (ESWT), as it was then known, or in the second round of the renamed ECS in 2009.
10. This distinction between formal and informal representation is also followed by Forth, Bryson, and George (2017) in their study of the cross-national variation in workplace employee representation, using the 2009 European Company Survey.
11. In order to avoid a further reduction in sample size, amounting to some 80 percent, we made no attempt to match the ER and Management (MM) Questionnaires, which in the 2013 survey are given in separate files. However, for the mechanics of the matching procedure, the reader is referred to Addison and Teixeira (2017) who deploy the 2013 ECS to investigate strikes.

12. At a significance level of 0.05 or better, the mean-comparison test always rejects the hypothesis that there is no difference in means between the first cell in Appendix Table 3 and the second, third, and fourth cells.

13. The 11 meaningful combinations of a maximum of three sets of countries are as follows: S3, S4, {S1, S2}, {S1, S2}, {S1, S3}, {S1, S4}, {S2, S3}, {S2, S4}, {S3, S4}, {S1, S2, S3}, {S1, S2, S4}, {S2, S3, S4}. The S1 and S2 cases are necessarily excluded as they have no within-variation in union/works council status.

14. To illustrate, observe that the lack of engagement by management in Case 1, column (2), is strongly mirrored in a lower sample probability that the information provision is satisfactory, a higher probability that the ER body will not be informed by management in the event of a major HR decision, and a lower probability that the entity will have a strong influence on decision making, at 47, 31, and 45 percent, respectively. In Case 1, column (1), the corresponding probabilities are 87, 9, and 75 percent. These magnitudes hold in Cases 2, 3, and 4.

15. This information on industry affiliation and establishment size is obtained from the Management Questionnaire, the other component of the 2013 European Company Survey.

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Table 1. Workplace Formal Representation in 2013, by Country (in percent)

Country	Union representation	Works council-type representation
Belgium	18	82
Bulgaria	67	33
Czech Republic	91	9
Denmark	17	83
Germany	0	100
Estonia	31	69
Ireland	71	29
Greece	87	13
Spain	83	17
France	54	46
Croatia	90	10
Italy	25	75
Cyprus	100	0
Latvia	75	25
Lituania	68	32
Luxembourg	0	100
Hungary	11	89
Malta	100	0
The Netherlands	0	100
Austria	0	100
Poland	85	15
Portugal	85	15
Romania	19	81
Slovenia	28	72
Slovakia	59	41
Finland	12	88
Sweden	100	0
United Kingdom	79	21
All	46	54
Number of observations	6,249	

Notes: Works council representation is defined as a 1/0 dummy equal to 1 if the respondent (i.e. the ER interviewee) is from the works council, 0 if the respondent is from the union. If there is a unique works council (union) agency at the workplace, then the respondent is necessarily from the works council (union); if works council and the union agencies coexist at the workplace and the employee representative respondent is from the works council (union), the works council (union) is adjudged to be more influential and works council (union) status is allocated on that basis. This interpretation is based on the fact that the interviews are always conducted with the “highest-ranking employee representative of the workplace employee representation body that represents the highest proportion of employees at the establishment.” Only establishments with a formal workplace representation are included (see text).

Source: Authors’ computations using the 2013 ECS survey, Employee Representative Questionnaire, unweighted data.

Table 2: Country Subsets by Workplace Representation Type

	Country subsets			
	S1: Countries with a works council-type representation only	S2: Countries with a union-type representation only	S3: Countries with dual systems but in which works council-type representation is found in more than 70% of the cases ('works councils rule')	S4: Countries with dual systems but in which union-type representation is found in more than 70% of the cases ('unions rule')
Countries	Germany, Austria, Netherlands and Luxembourg	Sweden, Cyprus, and Malta	Belgium, Denmark, Estonia, Italy, Hungary, Romania, Slovenia, and Finland	Bulgary, Czech Republic, Ireland, Spain, Greece, Croatia, Latvia, Lithuania, Poland, Portugal, and the United Kingdom
Variable: Mean incidence of formal workplace representation (in percent)	55	43	60	35
Variable: Mean shortfall in participation/involvement in decision making (in percent)	63	79	66	76
Rank correlation between country orderings based on the variables above	The null hypothesis of independence is rejected.	The null hypothesis of independence is rejected.	The null hypothesis of independence is not rejected.	The null hypothesis of independence is not rejected.

Notes: For a given country mean incidence is defined as the share of establishments with a formal workplace representation in the entire set of establishments (i.e. with and without formal representation). The mean shortfall in worker participation is given by the share of establishments in which greater involvement of the ER body is desired (strongly or very strongly). The reported means are computed as means of means and were obtained using the 2013 Management and Employee Representative Questionnaires, respectively. The reported rank correlation is the Spearman correlation. Under the null hypothesis, the corresponding country orderings are independent. France and Slovakia do not meet our inclusion requirements and do not populate any country subset.

Table 3: Establishment-Level Means of the Estimation Sample for the Baseline Model and Country Clusters Analysis (in percent)

	By type of workplace representation			By country subsets			
	All establish-ments	Works council	Union	S1	S2	S3	S4
<i>(a) Establishments with and without a major HR decision taken in the last 12 months</i>							
Shortage in workplace representation	70	66	76	63	70	71	77
ER resources and functioning:							
Elected employee representative	83	80	86	88	75	73	91
Employee representative receives training	47	45	49	59	61	44	42
Time allocated to employee representation is sufficient	88	89	86	87	95	90	84
Frequency of meeting with management	2.5	2.5	2.5	2.5	2.4	2.6	2.6
Provision of information to the ER body:							
Information provided by management to the ER body is satisfactory	79	84	73	84	75	81	73
Number of observations	5,531	2,958	2,573	924	639	1,903	1578
<i>(b) Establishments with a major HR decision taken in the last 12 months</i>							
Shortage in workplace representation	74	70	79	63	70	75	81
Provision of information to the ER body:							
The ER body was not informed at all by management	14	13	14	9	8	17	15
The ER body was only informed by management	19	20	18	16	13	21	20
The ER body was informed by management and asked to give their views or involved in joint decision	67	67	68	75	79	62	65
ER influence in the case of major HR decisions:							
The ER body had some or a strong influence on the decision making (1/0 dummy)	69	69	70	80	81	65	69
Number of observations	4,178	2,210	1,968	672	542	1,484	1,201

Notes: The mean values are given in percentage points except in the case of the frequency of meetings with management, which is an ordered variable from 1 (the highest) to 5 (the lowest). Full definition of the variables is given in Appendix Table 2. Country subsets, S1 through S4, are defined in Table 2.

Source: 2013 ECS survey, Employee, Representative Questionnaire, unweighted data.

Table 4: Analysis of the Shortfall in Desired Employee Workplace Representation (ER), Baseline Regressions for All Establishments and for Establishments with a Major HR Decision Taken in the Last 12 Months, Marginal Effects

	All establishments (1)	Establishments with a major HR decision in the last 12 months. (2)
Type of workplace representation and labor organization:		
Works council (1/0 dummy)	-.088*** (.018)	-.071*** (.020)
Establishment union density (in percentage)	.0003 (.0002)	.0005** (.0002)
ER resources and functioning:		
Employee representative is elected (1/0 dummy)	.058*** (.017)	.059*** (.018)
Employee representative receives training (1/0 dummy)	.037*** (.012)	.031** (.013)
Time allocated to employee representation is sufficient (1/0 dummy)	-.087*** (.020)	-.090*** (.023)
Frequency of meetings with management (1-5 ordered variable; the higher the value, the lower the frequency)	.040*** (.006)	.035*** (.007)
Provision of information to the ER body:		
Information provided by management to the ER body is satisfactory (1/0 dummy)	-.267*** (.022)	-.217*** (.024)
A major decision has been taken in the last 12 months (1/0 dummy)	.105*** (.014)	
Provision of information to the ER body in the case of major HR decisions: (Reference category: The ER body was not informed by management.)		
The ER body was only informed by management (1/0 dummy)		.012 (.029)
The ER body was informed by management and asked to give their views or involved in joint decision (1/0 dummy)		-.126*** (.027)
ER influence in the case of major HR decisions:		
The ER body had some or a strong influence on the decision making (1/0 dummy)		-.063*** (.018)
Industry dummies	Yes	Yes
Establishment size dummies	Yes	Yes
Number of observations	5,531	4,178
LR test	272.76	195.42

Notes: The dependent variable is a 1/0 dummy, defined as 1 if the workplace employee representation body should be more involved in decision making, 0 otherwise. The coefficients of the multilevel, mixed effects model are estimated using the *melogit* command in Stata 13.1. The log-likelihood ratio tests the null of an ordinary logit specification versus the two-level mixed effects model. The null is always comfortably rejected in favor of the mixed effects specification. ***, ** and * denote statistical significance at the 0.01, 0.05, and 0.10 levels, respectively.

Table 5: Analysis of the Shortfall in Desired Employee Workplace Representation in Selected Subsamples, for all Establishments and for Establishments with a Major HR Decision Taken in the Last 12 Months, Marginal Effects

	Case 1 S1 and S2 countries		Case 2 S3 and S4 countries		Case 3 S3 countries		Case 4 S4 countries		Case 5 S1 and S4 countries		Case 6 S1 countries S3	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Type of workplace representation and labor organization:												
Works council (1/0 dummy)	-.156* (.093)	-.124 (.083)	-.072*** (.019)	-.058*** (.021)	-.067** (.029)	-.051* (.033)	-.076*** (.027)	-.063** (.029)	-.098*** (.028)	-.088*** (.030)	-.073** (.030)	-.056* (.035)
Establishment union density (in percentage)	.00002 (.0004)	.0002 (.0005)	.0005* (.0002)	.0007** (.0002)	.001*** (.0003)	.001*** (.0004)	-.0001 (.0003)	.0002 (.0003)	-.00001 (.0003)	.0002 (.0003)	.0008** (.0003)	.001*** (.0003)
ER resources and functioning:												
Employee representative is elected (1/0 dummy)	.067** (.032)	.101*** (.034)	.063*** (.020)	.045** (.022)	.043 (.027)	.034 (.028)	.095*** (.033)	.053 (.036)	.089*** (.028)	.069** (.029)	.054** (.024)	.054** (.025)
Employee representative receives training (1/0 dummy)	.043* (.024)	.035 (.026)	.026* (.015)	.023 (.016)	.014 (.022)	.010 (.023)	.035* (.020)	.037* (.022)	.048*** (.018)	.051** (.020)	.034* (.018)	.029 (.020)
Time allocated to employee representation is sufficient (1/0 dummy)	-.067* (.038)	-.097** (.045)	-.117*** (.027)	-.104*** (.031)	-.061 (.040)	-.053 (.046)	-.158*** (.037)	-.142*** (.041)	-.125*** (.027)	-.122*** (.031)	-.066** (.030)	-.078** (.035)
Frequency of meetings with management (1-5 ordered variable; the higher, the lower is the frequency)	.051*** (.013)	.029* (.015)	.030*** (.008)	.032*** (.009)	.028** (.011)	.023* (.013)	.029*** (.010)	.038*** (.012)	.039*** (.009)	.042*** (.011)	.038*** (.010)	.032*** (.011)
Provision of information to the ER body:												
Information provided by management to the ER body is satisfactory (1/0 dummy)	-.257*** (.039)	-.197*** (.041)	-.252*** (.027)	-.216*** (.032)	-.327*** (.043)	-.261*** (.052)	-.181*** (.032)	-.172*** (.039)	-.236*** (.029)	-.198*** (.033)	-.331*** (.034)	-.249*** (.038)
A major HR decision has been taken in the last 12 months (1/0 dummy)	.067** (.031)		.126*** (.018)		.131*** (.025)		.112*** (.024)		.107*** (.021)		.119*** (.021)	
Provision of information to the ER body in the case of major HR decisions: (Reference category: The ER body was not informed by management.)												
The ER body was only informed by management (1/0 dummy)		-.030 (.072)		.034 (.032)		-.005 (.046)		.076* (.044)		.042 (.042)		-.020 (.043)
The ER body was informed by management and asked to give their views or involved in joint decision (1/0 dummy)		-.209*** (.066)		-.097*** (.029)		-.157*** (.044)		-.033 (.036)		-.104*** (.037)		-.186*** (.040)

ER influence in the case of major HR decisions:												
The ER body had some or a strong influence on the decision making (1/0 dummy)		-.102** (.044)		-.042** (.021)		-.053* (.030)		-.016 (.028)		-.039 (.027)		-.059** (.027)
Industry dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Establishment size dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of observations	1,563	1,214	3,481	2,685	1,903	1,484	1,578	1,201	2,502	1,873	2,827	2,156
LR test	26.73	20.28	156.21	126.22	91.69	94.01	61.64	26.10	96.62	59.34	133.88	121.50

Notes: See notes to Table 4. Country subsamples are defined in Table 2; column (1) denotes all establishments, while column (2) refers to establishments with a major HR decision in the last 12 months. To clarify the modeling strategy: in Case 1 the works council agency in S1 countries is compared with union representation in S2 countries; in Case 2 ‘works councils rule’ is compared with ‘unions rule’ (minority unions in S3 and minority works councils in S4 are retained in the sample); in Case 3 the ‘majority works council’ is compared with the ‘minority union’; in Case 4 the ‘majority union’ is compared with the ‘minority works council’; in Case 5 the works council is compared with the ‘majority union’ in S4 (minority works councils are retained in S4); and, finally, in Case 6 the works council is compared with the ‘minority union’ in S3 (majority works councils are retained in S3). ***, ** and * denote statistical significance at the 0.01, 0.05, and 0.10 levels, respectively.

Table 6: Perceived Quality of Industrial Relations, Workplace Employee Representation, and the Shortfall in Desired Participation, All Establishments (in percent)

(a) Management effort to involve the employee representation, type of workplace employee representation, and the shortfall in desired participation

		Workplace representation		Row total
		Union	Works council	
Management makes sincere efforts to involve the employee representation in the solving of joint problems	NO (q20_d_D=0)	25 [92]	17 [92]	20
	YES (q20_d_D=1)	75 [70]	83 [61]	80
	Column total	100	100	

(b) The relationship between management and employee representation, type of workplace employee representation, and the shortfall in desired participation

		Workplace representation		Row total
		Union	Works council	
The relationship between management and employee representation is hostile	YES (q20_c_D =1)	11 [89]	6 [87]	8
	NO (q20_c_D =0)	89 [74]	94 [65]	92
	Column total	100	100	

(c) Trust in management, type of workplace employee representation, and the shortfall in desired participation

		Workplace representation		Row total
		Union	Works council	
Management can be trusted	NO (q42a_c_D =0)	24 [92]	13 [91]	18
	YES (q42a_c_D =1)	76 [70]	87 [62]	82
	Column total	100	100	

(d) Work climate at the establishment, type of employee representation, and the shortfall in desired participation

		Workplace representation		Row total
		Union	Works council	
Good or very good work climate at the establishment	NO (q44_D =0)	39 [88]	33 [84]	18
	YES (q44_D =1)	61 [69]	67 [57]	82
	Column total	100	100	

Notes: The shortfall in participation is given in brackets. Accordingly, the top left cell in panel (a) gives the sample conditional probability $\Pr(q42a_a_D =1 \mid q20_d_D =0, \text{union}=1)$ or the probability of a shortfall in participation given that management fails to make a sincere effort to involve the employee representation agency in solving joint problems *and* the union entity is the workplace representation type. The variables q20_d_D, q20_c_D, q42a_c_D, q44_D q42a_a_D are described in Appendix Table 2; they are based on survey questions Q20D, Q20C, Q42c (item C), Q44, and Q42a (item A), respectively. q42a_a_D is the outcome variable *ER body should be more involved in decision making* (i.e. the shortfall in desired participation).

Table 7: Controlling for Variation in the Quality of Industrial Relations for Establishments with a Major HR Decision Taken in the Last 12 Months, Marginal Effects

	Variation in the quality of industrial relations							
	Case 1 Management makes sincere efforts to involve the employee representation		Case 2 The relationship between management and employee representation is hostile		Case 3 Management can be trusted		Case 4 Good or very good work climate at the establishment	
	Yes (1)	No (2)	No (1)	Yes (2)	Yes (1)	No (2)	Yes (1)	No (2)
Type of workplace representation and labor organization:								
Works council (1/0 dummy)	-.071*** (.024)	.0004 (.0003)	-.072*** (.022)	-.013 (.034)	-.082*** (.024)	.008 (.023)	-.097*** (.027)	-.024 (.023)
Establishment union density (percent)	.0005* (.0003)	-.011 (.019)	.0005** (.0002)	.000008 (.0005)	.0005* (.0003)	.0003 (.0003)	.0003 (.0003)	.0006** (.0003)
ER resources and functioning:								
Employee representative is elected (1/0 dummy)	.066*** (.022)	.029 (.019)	.066*** (.019)	-.009 (.044)	.056** (.022)	.043* (.024)	.064** (.025)	.038 (.023)
Employee representative receives training (1/0 dummy)	.031* (.017)	.013 (.014)	.035** (.015)	-.026 (.036)	.041** (.016)	-.017 (.019)	.038** (.019)	.014 (.017)
Time allocated to employee representation is sufficient (1/0 dummy)	-.100*** (.029)	.0008 (.0170)	-.088*** (.026)	-.013 (.043)	-.096*** (.030)	-.034 (.025)	-.091*** (.033)	-.067** (.028)
Frequency of meetings with management (1-5 ordered variable; the higher, the lower is the frequency)	.036*** (.009)	.013* (.007)	.037*** (.008)	.002 (.017)	.042*** (.009)	.006 (.010)	.035*** (.010)	.030*** (.010)
Provision of information to the ER body:								
Information provided by management to the ER body is satisfactory (1/0 dummy)	-.226*** (.032)	-.037** (.017)	-.214*** (.026)	-.177*** (.048)	-.230*** (.033)	-.052** (.020)	-.217*** (.036)	-.112*** (.025)
Provision of information to the ER body in the case of major HR decisions:								
The ER body was only informed by management (1/0 dummy)	.040 (.038)	-.001 (.020)	.012 (.032)	.053 (.058)	-.013 (.037)	.051 (.034)	.011 (.043)	.018 (.033)
The ER body was informed by management and asked to give their views or involved in joint decision (1/0 dummy)	-.111*** (.034)	-.023 (.020)	-.134*** (.029)	.010 (.051)	-.168*** (.034)	-.016 (.027)	-.135*** (.038)	-.073** (.030)
ER influence in the case of major HR decisions:								
The ER body had some or a strong influence on the decision making (1/0 dummy)	-.070*** (.023)	.004 (.015)	-.064*** (.020)	-.029 (.038)	-.051** (.022)	-.029 (.022)	-.061** (.027)	-.031 (.020)
Industry dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Establishment size dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of observations	3,272	862	3,783	339	3,248	818	2,622	1,553
LR test	172.48	11.12	182.55	0.04	171.31	5.96	113.52	37.93

Note: See notes to Table 4.

Table 8: Analysis of the Shortfall in Desired Employee Workplace Representation (ER) for the Baseline Model for Establishments with Informal Workplace Representation Alone, Marginal Effects

	Establishments with informal employee representation	
	(1)	(2)
Type of workplace representation and labor organization:		
Establishment union density (in percentage)	.001 (.0008)	.001 (.0008)
ER resources and functioning:		
Elected employee representative (1/0 dummy)	.032 (.052)	-.025 (.056)
Employee representative receives training (1/0 dummy)	.016 (.050)	.005 (.051)
Time allocated to employee representation is sufficient (1/0 dummy)	-.128* (.073)	-.152* (.079)
Frequency of meetings with management (1-5 ordered variable; the higher, the lower is the frequency)	-.021 (.027)	-.005 (.031)
Provision of information to the ER body:		
Information provided by management to the ER body is satisfactory (1/0 dummy)	-.258*** (.075)	-.283*** (.104)
A major decision has been taken in the last 12 months (1/0 dummy)	.148*** (.055)	
Provision of information to the ER body in the case of major HR decisions: (Reference category: The ER body was not informed by management.)		
The ER body was only informed by management (1/0 dummy)		-.155 (.108)
The ER body was informed by management and asked to give their views or involved in joint decision (1/0 dummy)		-.269** (.106)
ER influence in the case of major HR decisions:		
The ER body had some or a strong influence on the decision making (1/0 dummy)		-.068 (.065)
Industry dummies		
Establishment size dummies		
Number of observations	379	290
LR test	6.75	6.51

Note: See notes to Table 4. Column (1) refers to all establishments, and column (2) to those establishments with a major HR decision in the last 12 months.

Appendix Table 1. Mapping Formal Workplace Employee Representation to Establishments and Countries, 2013

Country	Trade union representation	Works council-type representation
Belgium BE	Délégation syndicale (111, 112)	Conseil d'entreprises, Comité pour la prevention et de la protection au travail (121, 122, 151, 152)
Bulgaria	Синдикална организация (2611)	Представители на работниците и служителите~ (2641)
Czech Republic	Odborová organizace (211)	Rada zaměstnanců (221)
Denmark	Tillidsrepræsentant (311)	Samarbejdsudvalg (321)
Germany	No trade union representation (421)	Betriebsrat, Personalrat (461)
Estonia	Ametiühing, Ametiühingu (511, 512)	Töötajate usaldusisik (541, 542)
Ireland	Workplace trade union representative (911)	Statutory employee representative, Joint consultative committee (921, 931)
Greece	Επιχειρησιακό σωματείο (611)	Συμβούλιο εργαζομένων (621)
Spain	Sección sindical (711, 712)	Comité de empresa (721, 722)
France	Délégué syndical (811)	Comité d'entreprise, Délégué du personnel (821, 841)
Croatia	Sindikat (2711)	Radnicko vijeće (2721)
Italy	Rappresentanza sindacale aziendale (1011)	Rappresentanza sindacale unitaria (RSU) (1021)
Cyprus	Συνδικαλιστική Εκπροσώπηση (1111)	No works council-type representation
Latvia	Arodbiedrības (1211, 1212)	Darbinieku pilnvarotie pārstāvji (1241, 1242)
Lituania	Profesinė sąjunga (1311)	Darbo taryba (1321)
Luxembourg	No trade union representation	Comité mixte, Délégation du personnel (1422, 1423, 1452, 1453)
Hungary	Szakszervezet (bizalmi) (1511)	Üzemi tanács, Üzemi megbízott (1521, 1551)
Malta	Shop steward (recognized union representative) (1611, 1612)	No works council-type representation
Netherlands	No trade union representation	Ondernemingsraad, Personeelsvertegenwoordiging (1721, 1751)
Austria	No trade union representation	Betriebsrat (1821)
Poland	Zakładowa organizacja związkowa (1911)	Rada pracowników (1921)
Portugal	Comissão sindical, Comissão intersindical (2011)	Comissão de trabalhadores (2021)
Romania	Sindicat (2811)	Reprezentanții salariaților (2851)
Slovenia	Sindikalni zaupnik (2111)	Svet delavcev, Delavski zaupnik (2121, 2141)
Slovakia	Odborová organizácia (2211)	Zamestnaneckárada, Zamestnanecky dôverník (2221, 2241)
Finland	Ammattiosasto (2311)	YT-toimikunta, Henkilöstön edustaja (2321, 2351)
Sweden	Facklig förtroendeman (2411)	No works council representation
United Kingdom	Recognised shopfloor trade union representation (2511)	Joint consultative committee (2531)

Notes: The mapping is based on the raw ER Questionnaire variable *er_type_er*. The corresponding code flags the type of workplace employee representation agency to which the respondent belongs. Accordingly, if there is a unique works council (union) agency at the workplace, the respondent is necessarily from the works council (union); and if the works council and the union agencies coexist at the workplace and the employee representative respondent is from the works council (union), then the works council (union) is adjudged to be more influential and correspondingly works council (union) status is assigned. See text and Appendix Table 2.

Source: The 2013 ECS survey, Employee Representative (ER) Questionnaire.

Appendix Table 2: Variable Definition and Means of Selected Variables, 2013

Variables	Mean (percent)	Definition
Sample: all establishments (i.e. with and without a major HR decision taken in the last 12 months)		
<i>Shortfall in workplace representation and trust and climate at the workplace:</i>		
ER body should be more involved in decision making	71	1/0 dummy: 1 if ER body should be more involved in decision making (strongly agrees/agrees)
Employees should be more involved in decision making	69	1/0 dummy: 1 if employees should be more involved in decision making (strongly agrees/agrees)
Management can be trusted	82	1/0 dummy: 1 if management can be trusted (strongly agrees/agrees)
Good or very good work climate at the establishment	64	1/0 dummy: 1 if the current general work climate in this establishment is very good or good
<i>Labor organization and workplace representation:</i>		
Establishment union density	47	Union density at the establishment
Employee representative is elected	82	1/0 dummy: 1 if the ER interviewee was elected, 0 if appointed
Works council	54	1/0 dummy: 1 if the respondent (i.e. the ER interviewee) is from the works council; 0 if the respondent is from the union. Note that if there is a unique works council (union) agency at the workplace, then the respondent is necessarily from the works council (union). If the works council and the union agencies coexist at the workplace and the employee representative respondent is from the works council (union), then the works council (union) is adjudged to be more influential and correspondingly the works council (union) status is allocated. This interpretation is based on the fact that the interviews are always conducted with the “highest-ranking employee representative of the workplace employee representation body that represents the highest proportion of employees at the establishment.”
<i>Workplace representation resources and functioning:</i>		
Trained employee representative	46	1/0 dummy: 1 if the ER representative has received training related to his/her role in the last 12 months
Time allocated to employee representation is sufficient	88	1/0 dummy: 1 if time allocated to employee representation is sufficient (i.e. either the ER representative has some number of hours per week that he/she considers sufficient or he/she can use as much time as is necessary or he/she is a full-time employee representative. This variable is generated using the raw variables q11 to q13.
Frequency of meetings with Management	2.5	The variable indicates how often the ER body meets with management: 1 if meetings with management are at least

		once a week; 2 if at least once a month; 3 if at least once every quarter; 4 if at least once a year; 5 if less than once a year.
<i>Provision of information:</i>		In the last 12 months, has management provided the ER-body with any information on the following issues? 1/0 dummies:
Information provided by management to the ER body is satisfactory	78	1/0 dummy: 1 if the information provided by management in the last 12 months to the ER body was in general satisfactory; 0 if management provided the ER body no information at all or it was considered unsatisfactory. The assessment by the employee representative is based on the information provided on the following issues: The financial situation of the establishment; The employment situation of the establishment; The introduction of new or significantly changed products or services in the establishment (new); The introduction of new or significantly changed processes to produce goods or provide services in the establishment; Strategic plans with regard to the establishment (e.g. business targets, plans for investments and plans to expand activities). The variable is generated using the raw variables q21 and q25. The corresponding Stata coding is available upon request.
<i>Assessment of employees' and management attitude:</i>		
Employees value the work of the employee representation	86	1/0 dummy: 1 if employees value the work of the employee representation (strongly agrees or agrees)
Employees rarely express interest in the outcome of consultations or negotiations	37	1/0 dummy: 1 if employees rarely express interest in the outcome of consultations or negotiations (strongly agrees or agrees)
The relationship between management and employee representation is hostile	8	1/0 dummy: 1 if the relationship between management and employee representation can best be described as hostile (strongly agrees or agrees)
Management makes sincere efforts to involve the employee representation	80	1/0 dummy: 1 if management makes sincere efforts to involve the employee representation in the solving of joint problems (strongly agrees or agrees)
Sample: Establishments in which a major HR decision has been taken in the last 12 months		This sample comprises all the establishments for which we have the variable major decision=1. This 1/0 dummy is defined as 1 if any major decision has been taken in the last 12 months, 0 otherwise. The interviewee was asked whether in the last 12 months any major decisions (i.e. decisions that affect the entire establishment or a large part of it) were taken by the management in the following areas: organization of work processes; recruitment and dismissals; occupational health and safety; training and career development; working time arrangements; and restructuring measures
Information and involvement in major decisions:		
The ER body was not informed by management	14	1/0 dummy: 1 if the ER body was not informed by management, not asked to give their views ahead of the decision nor involved in joint decision making with management.
The ER body was only informed by management	19	1/0 dummy: 1 if the ER body was informed by management, but not asked to give their views ahead of the decision nor involved in joint decision making with management.
The ER body was informed by management and asked to give their views or involved in joint decision	67	1/0 dummy: 1 if the ER body was informed by management and asked to give their views ahead of the decision or involved in joint decision making with management.
Influence in major decisions:		
The ER body had some or strong influence on the decision making	69	1/0 dummy: 1 if the ER body had some or a strong influence on the management decision.

Notes: The sample is restricted to establishments with a formal employee workplace representation in 28 European countries. Appendix Table 1 provides the full list of countries and the text defines formal representation at the workplace. The sample includes a maximum of 6,429 observations, 76% of which had taken a major HR decision taken in the last 12 months. The variables for the subset of establishments with a major decision are based on questions 26 to 41; and the corresponding coding for the generated variables is available upon request.

Source: The 2013 ECS survey, Employee Representative (ER) Questionnaire.

Appendix Table 3: How Employees Value the Work of the Employee Representation, Their Interest in the Outcome of Consultations or Negotiations, and the Shortfall in Workplace Representation (percent)

	Employees <u>Do Not</u> value the work of the employee representation (q20_a_D = 0)		Employees <u>Value</u> the work of the employee representation (q20_a_D = 1)	
	Employees rarely express interest in the outcome of consultations or negotiations? NO (q20_b_D = 0)	Employees rarely express interest in the outcome of consultations or negotiations? YES (q20_b_D = 1)	Employees rarely express interest in the outcome of consultations or negotiations? NO (q20_b_D = 0)	Employees rarely express interest in the outcome of consultations or negotiations? YES (q20_b_D = 1)
Percentage of cases in which the respondent agrees or strongly agrees that the ER body should be more involved in decision making (q42a_a_D=1)	84	78	72	75

Notes: The variables q20_a_D, q20_b_D, and q42a_a_D are described in Appendix Table 2; they are based on survey questions Q20A, Q20B, and Q42a (item A), respectively. The sample is comprised of all establishments with a major HR decision taken in the last 12 months.

Source: 2013 ECS survey, Employee Representative Questionnaire, unweighted data.