
Summaries

Direct participation in the Netherlands

Fred Huijgen and Jos Benders

Based on a survey among establishment managers in ten European countries, carried out in 1996, 'direct participation' in the Netherlands is discussed. Direct participation concerns the extent to which employees can take operational decisions on their own, and/or are consulted by management. The survey was commissioned by the European Foundation for the Improvement of Living and Working Conditions. By and large, the empirical data supported the initial expectation that Dutch companies are more active in this field than most of their European competitors.

The future of the European social dialogue

M.G. Bos, L. Faase and H.J.A. van Merrienboer

Next year, the EMU will enter its third stage. As a result of the employment summit at Luxembourg, the policy coordination at the European level is becoming more balanced. Now, questions arise on the contribution of social partners to employment, social policy and industrial relations in Europe. What are social partners able to offer at the European level? What role can the social dialogue play?

The article discusses a number of options for strengthening the Social Dialogue at the Community level. It argues that the differences between the national IR-systems will not hamper coordination. Success depends on the convergence of policy goals rather than institutions. However, three areas will require the specific attention of social partners in order to increase effectiveness: the legitimacy, the representativeness and the willingness to take responsibility for policy reforms at the European level.

Workers participation on the company board: National diversity and the European Statute

U. Veersma and A.G. Nagelkerke

Workers participation on the company board has been the most neglected form of participation so far. It is argued that, with the internationalization of business and processes of mergers and take-overs, workers interests are strongly connected with the outcomes of those processes and should, therefore, be taken care of.

In this article, two models are compared, the so-called continental and the Anglo-Saxon model, with regard to workers participation on the supervisory board of the company. Although the German model seems to contain the most far-reaching discretion for worker directors to influence policy making, the Germans have shared common experiences with others such as the discrepancy between loyalty to the company's objectives and the representation of workers interests. A common experience within different national models is that worker directors are board members with individual and collective responsibilities, which is relatively independent on the formal system.

The proposal of the Davignon-group of experts for a European Company Statute, which is also discussed in this article, offers the possibility of establishing a system of workers representatives in the board through negotiations. By doing so the proposal recognizes the value of national institutional forms. Although the possibility is created to build upon national structures and traditions which are reflected by it, the reference rules in the proposal resemble the basic principles of a European social model which has much in common with the continental model. The current debate on corporate governance in the Netherlands is being inspired by the one-sided interests of share-

holders, which, we conclude, sharply contrasts with these principles.

Employee-ownership and profit-sharing

Erik Poutsma and Willem de Nijs

This article presents the major findings of a research-project for the European Union on the development of promotion of employee-ownership and profit-sharing and the diffusion of these schemes throughout Europe. Since the first report in 1991, the general situation of government policy on financial participation schemes in EU-countries has improved slightly. Official government positions in individual EU-countries still range from strongly in favour to undefined. The different government positions relate to distinct industrial relations systems in individual EU-countries. This is demonstrated by the very particular developments with respect to the issue of financial participation in France, Germany, and the United Kingdom.

Developments on Works Councils

J.C. Looise

Works Councils have a strong position in the Netherlands; they can be seen as the most powerful instrument for worker participation in this country. However this position might be seriously influenced by the following developments:

- decentralization of collective bargaining and labour law;
- flexibilisation of labour and individualization of personnel management;
- the introduction of new forms of organization and worker influence;
- internationalization and changes in corporate governance;

Based on these developments the following effects can be (for)seen:

- an overload of works councils and works councils members;
- a growing distance between employees and representatives;
- competenceproblems between works councils and other forms of employee participation;
- a shift in the main tasks or functions of works councils.

In this article we give an overview of these developments and effects with respect to the position of works councils. We conclude with

some expectations and recommendations towards the future position of the works councils in the Netherlands. In the long run the best option seems to be the transformation of the works councils to a 'platform or base' from which different activities in various forms and at different levels in the field of worker participation (like co-determination, wage negotiations, direct participation, financial participation, etc.) are initiated and coordinated

Financial participation by employees in the Netherlands

E. Poutsma, R. Mol and M. van Beusekom

The question answered in this article is: in which way and to what extent do companies in the Netherlands implement schemes for the financial participation (share in equity, profits and losses) by employees?

Research (Poutsma & Tillaart, 1996; Mol, Meihuizen & Poutsma, 1997) shows a growth of financial employee participation in the Netherlands. 4% of companies with 10 or more employees in the Netherlands have a stock(option)plan. About the same percentage intend to introduce such a plan in the next three years. 27% of the companies have a profit sharing scheme. But three quarter of the schemes are stockoptionplans and only one third of the schemes are open for all employees. Among public companies it is more common to have financial participation: 69% has a scheme, 10% has a broad based plan.

Recognizing the fact that in the Anglo-Saxon countries employee ownership is much more developed, one might also expect a further growth in the Netherlands. Furthermore, companies are looking for ways to enhance the entrepreneurial competences of their employees. And financial participation fits into a differentiation of employee benefits in which the differences between efforts of the human resources are recognized. It looks like companies often choose for stockoptions, driven by fiscal motives and that the possibilities of financial participation to stimulate human resources is insufficiently used. These possibilities are: improvement of motivation, strengthening of involvement, higher productivity. The role of HRM-managers and works councils might be to introduce these social aspects into the process of designing and implementing a financial participation scheme.