

## Germany: Survey on works council elections in 1,600 companies

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A high turnout of voters marked the latest works council elections in Germany, underlining their importance to the German industrial relations system. However, a study published in January 2015 shows that they remain male-dominated, with women holding only 25% of the seats. Two-thirds of works council members were reelected, of whom a disproportionate share were also union members.

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#### **Election turnouts**

A study conducted by researchers at the Cologne Institute for Economic Research (IW Köln) shows that in the 2014 elections for works council representatives, <u>nearly 77% of the workforce in companies with a works council voted (in German)</u>. The study, published in January 2015, surveyed works council elections in around 1,600 companies with some 845,000 employees.

As laid down in the Works Constitution Act, works councils in Germany have extensive rights regarding information, consultation and codetermination. For example, they monitor the compliance of collectively agreed standards and can conclude works agreements with management. A high election turnout can mean that works councils get strong backing from employees in their establishment or company. Works councils elections are held between 1 March and 31 May every four years.

Overall, employees responded well to election announcements. In companies with a works council, 77% of the workforce went to the polls. However, significant differences exist between industries. The election turnouts for 2014 were notably higher in manufacturing (78%) than in the service sector (74%).

As the analysis points out, this gap did not exist in 2010 when the last round of elections was held. The share of women and temporary agency workers eligible to vote has risen in the last couple of years but remains at a relatively low level. While the researchers were not able to draw any conclusions about the low participation rate for women, they suggest that temporary agency workers do not feel represented by works councils and tend to believe that they speak only for the core workers in an establishment.

#### Size of the works council and exemption from job duties

The Works Constitution Act stipulates how many works council members are needed to form a council.

- For establishments with a workforce of between five and 20 employees who are eligible to vote, a works council of only one is needed.
- For establishments with 21–50 eligible workers, three members are needed.
- For establishments with 51–100 eligible workers, five are needed.
- For establishments with 101–200 workers, seven are required.

The number of works council members continues to rise in proportion to the number of eligible voters at establishment level.

Most interestingly, the IW data shows that in 25% of the establishments surveyed, works councils were larger than the law required. In almost 70% of establishments, the proportion of works council members who were exempted fully or partially from their jobs to give them time to fulfil their employee representative duties corresponded with the law. However some deviations were found, usually correlated with size. In 10% of companies with 200 or more employees, and in 44% of companies with between 101 and 199 employees, a higher number of works council members were exempted from their jobs. Additional exemptions were more often found in companies where a large proportion of works council members were also union members. However, in 20% of companies with 200 or more employees, fewer works council members than prescribed by law applied for exemption. The researchers conclude that the toleration of such deviations is due to a culture of trust and cooperation between company and staff.

#### Composition of newly elected works councils

As Table 1 shows, most of the works councils seats went to male candidates, with only 25% being won by women. On average, this share corresponds to the proportion of female employees in the companies of the survey sample. Differences between sectors can similarly be explained by whether they have a higher proportion of female employees. In 2014, some 37% of seats were won by women in the services sectors, compared with only 23% in manufacturing.

Table 1: Composition of works councils (%)

	Manufacturing	Services	Total
Re-elected works council members	67	(	64 67
Works council members by age group			
Up to 30 years	9		8 8
31 to 45 years	36	3	38 34
46 to 59 years	52	4	49 52
60 years or older	4		4 4
Female works council members	23	3	36 25

Source: Stettes, (2015).

Another striking feature of the latest elections is that two-thirds of works council members were re-elected. Continuity prevails, leading to a rising share of works council members aged between 46 and 59 years. Over 50% of all works council members fall into this category, while another 36% were aged between 31 and 45 in 2014. The IW analysts conclude that employees preferred works council members with greater experience of life and work.

### Works council chairpersons

As shown in Table 2, most works council chairs elected in 2014 were male, with only 16% being women. This share is even lower than the proportion of women represented on the councils. Nonetheless, women have a better chance of being elected chair when the share of women among staff and works council members is higher.

As the data also indicates that 85% of the works council chairs had begun work as apprentices. They were elected by a workforce of which only 67% had the same background. The research suggests that becoming a works council chair provides for an interesting career option.

Council chairs often belonged to the oldest group of workers (60 years and above) and had, on average, already been working for the company for 23 years. With nearly 75% of chairs re-elected in 2014, continuity prevailed here too.

Table 2: Characteristics of works council chairs (%)

Female	16
Re-elected	75
Member of a trade union affiliated to the DGB	74
Member of another union	0.9
In the oldest age category (60 years or older)	61

Source: Stettes, (2015).

Finally, nearly three-quarters of all chairs were also union members – with the overwhelming majority belonging to a member union of the German Confederation of Trade Unions (<u>DGB</u>). This proportion is even higher than the degree of unionisation of all works council members (64%). Works council members and chairs play a key role, not only in representing employees' interests at the establishment level, but also in recruiting new union members.

#### References

Stettes, O. (2015), <u>Betriebsratswahlen 2014 – Ein Rückblick auf Basis der Betriebsratswahlbefragung (in</u> German), IW Institut der deutschen Wirtschaft Köln.

Source documents:

de\_works\_council\_elections\_2014\_2015\_06\_29.docx de works council\_elections\_2014\_2015\_07\_24.docx