Employee Directors at the Board: Representing interests, Interest Representation?

Delegates of the Employees or Trustees of the Company?

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The concept of representation …. ??

-*I look upon myself as a mediator between management and worker*
(trade union rep)

There are (almost) no ‘non-ethnic’ at the top of Scandinavian trade unions

BLERs for years - training – conflicts etc.

Hannah Pitkin (1967), The Concept of representation

- Representation as image and interests
- Interest representation as delegates or trustees
- Electing ‘one of us’ or ‘the most skilled’

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Representing as image

Representing Norway

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We, the King proclaim...

Representing Norway

At the Congress, we decided...

Representing Norwegian workers

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Employee reps all about interests

Representation and interests

Trustee – acting in the best (presumed) interests of the employees

Delegate – acting on a (asked) interest

Employee reps must be elected and controlled by their constituency

Election

by ‘common features’ – ‘one of us’ (female interest by female reps, workers’ interests by workers)

By competence – skills and consideration

(‘the socialized’ actor vs ‘the calculating’)

Control

One of us – superfluous (you will represent the interests of your group)

The calculating – control over conditions

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Representation and trade unions

1. Trade unions represent the interests of their members towards the managerial prerogative. Thus; which interests are to be promoted and do democratic procedures take place in order to decide on these interests?

2. These interests are promoted by indirect democracy, by representatives. Thus, how are these representatives elected?

3. Democratic procedures and elections imply that all participants (or members) are entitled to the same possibilities of candidacy, regardless of ethnicity, sex or social background (etc.).

4. Trade unions, as democratic institutions, have an obligation to all members, not only the majority.

1-2: representing interests, 3-4: ensure right to individual right to representation

Board level employee representatives ….

Caught
…. between labour and capital ….
…. between trade unions and all the employees
…. between opposition and responsibility

Lack of
…. knowledge on auditing, budgeting, law, markets…
…. social skills and sense of decorum

Today
… legal responsibility to company interest
…. shareholders and stakeholders

…. Directors elected by the employees?

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Survey

Thanks!

586 BLERs from Sweden
702 BLERs from Norway
(only 4+, 25+)

…older, less educated, larger companies, more manufacturing, less public ownership

All BLERs all over Europe
25 (SE) and 23 per cent response rate (NO)
BLERs own perception
Not intended to cover representation as such
Very rough analysis
Testing testing exercise

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SEBLERs and NOBLERs

One tier-system
CG and IR-model

Both:

- by demand (company and group)
- low threshold (25 and 30 employees) and covering all limited companies
- representing all employees in the company
- legally obliged to look out for company interests
- … as any other board member (same rights and obligations)
- have the right to act as trustees
- Approx. 20 per cent of all companies

But:

- Labour law vs company law
- Appointed by the trade unions vs elected by all employees
  - Only in companies with a collective agreement vs potentially all companies
- Should vs must be an employee of the company
- May be revoked vs always all term
- (ownership)

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Do the trade union appointed Swedish BLER act as delegates of the trade union?

BLER role and

- interest representation
- relationship with management and shareholder elected
- influence at the board

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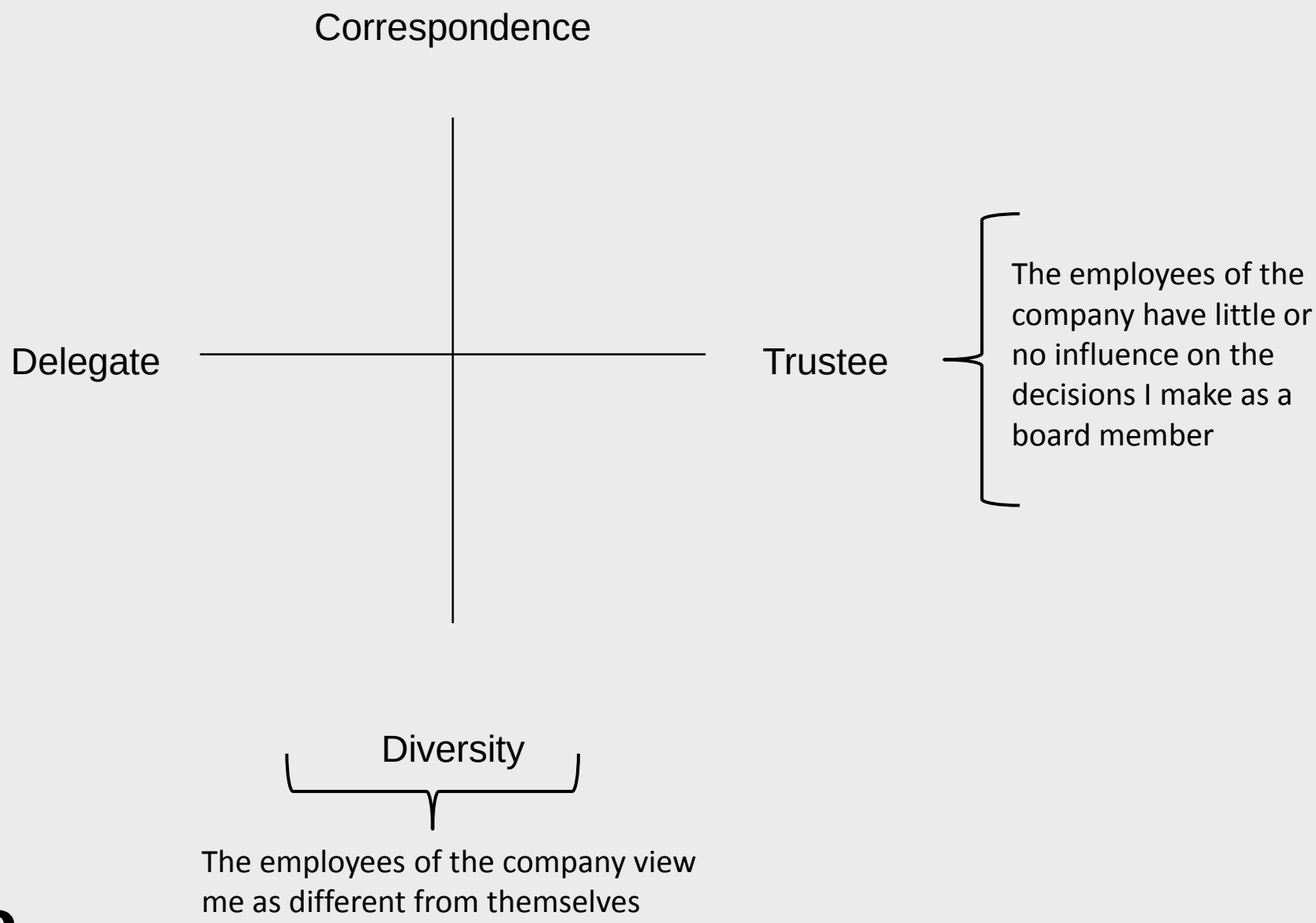
Correspondence
Delegate
Trustee
The employees of the company have little or no influence on the decisions I make as a board member
Diversity
The employees of the company view me as different from themselves

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Correspondence

RECOGNITION
Election: one of us
Control: re-election
(long term**)**

CONFIDENCE
Election: the most skilled of us
Control: re-election
(long-term)

Delegate

Trustee

MANDATE
Election: anyone
Control: mandate

TRUST
Election: the most skilled of all
Control: re-election
(short term)

Diversity

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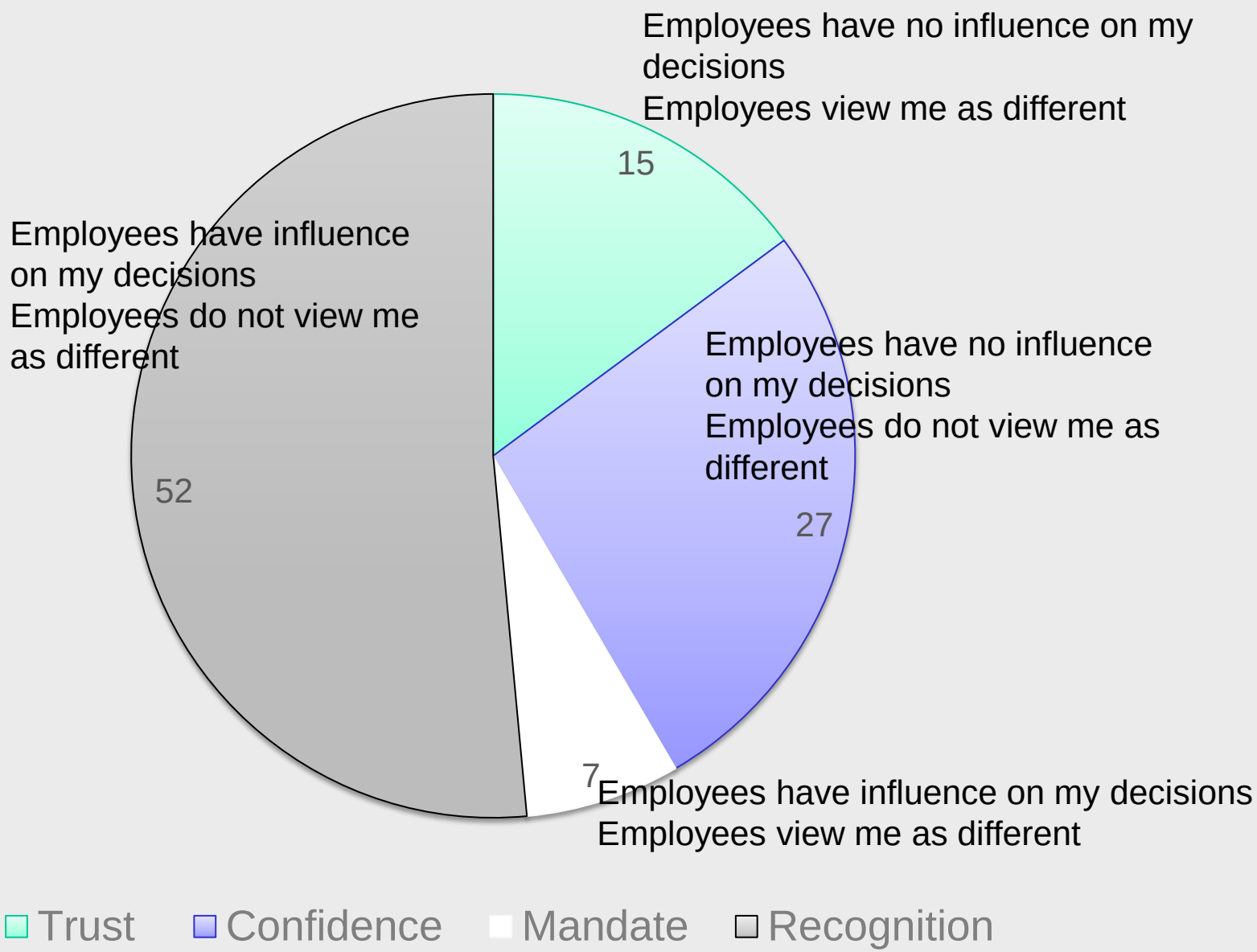
Employees have no influence on my decisions
Employees view me as different
15
Employees have influence on my decisions
Employees do not view me as different
52
Employees have no influence on my decisions
Employees do not view me as different
27
7
Employees have influence on my decisions
Employees view me as different
Trust
Confidence
Mandate
Recognition

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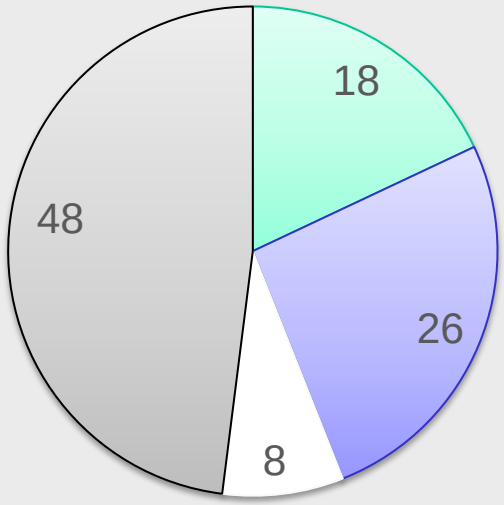
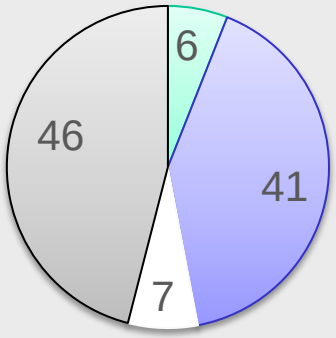
Sweden

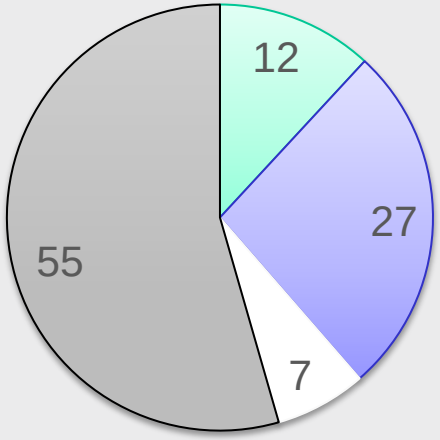


Trust Confidence Mandate Recognition

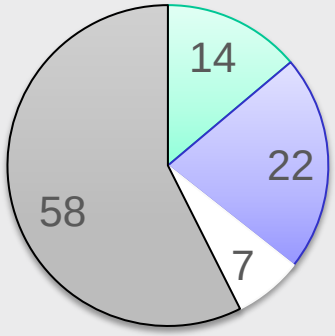
Norway not TU



Norway



Norway TU



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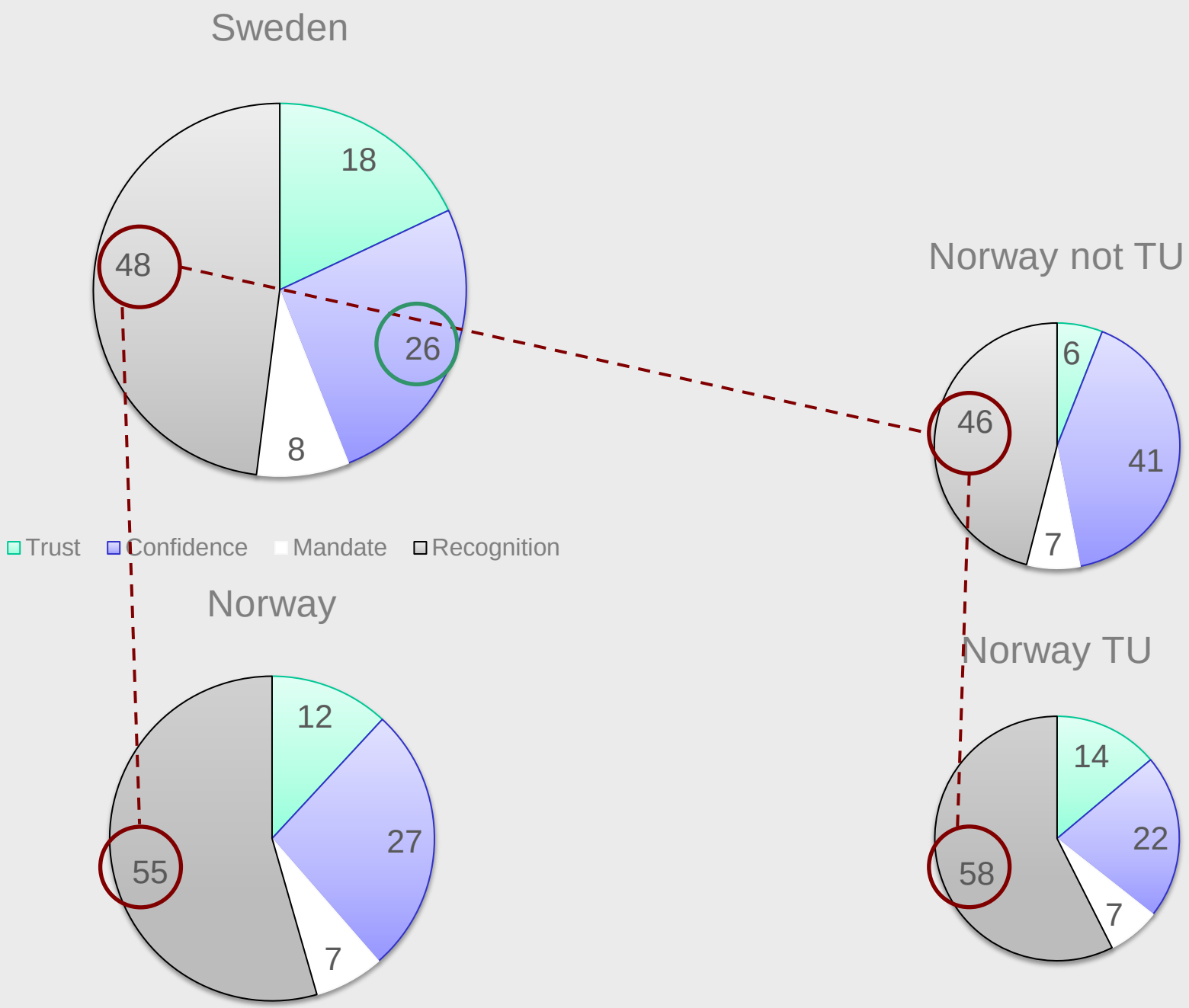
Sweden
18
48
26
8
Norway not TU
6
46
41
7
Trust
Confidence
Mandate
Recognition
Norway
12
27
55
7
Norway TU
14
22
58
7

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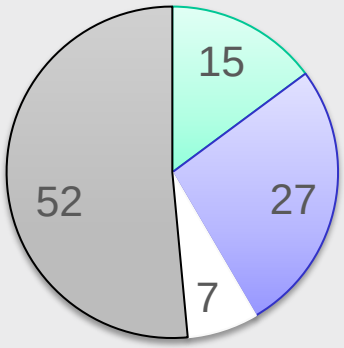
Interest representation

All concerned with employee interests
NOBLERs more concerned with shareholder and company interests
SEBLERs more concerned with trade union interests



NOBLERs in confidence*: shareholder +, TU -
in trust: TU –

SEBLERs in recognize: TU +
in confidence: company +

*confidence vs ‘rest’ per country

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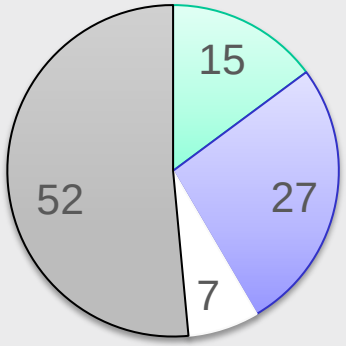
Relationship managers and shareholders

Equally consensual NOBLERs and SEBLERs
SEBLERs far more dependent on legal regulations (if no legal responsibility, no influence)



Both: recognize and consensual+, legal dep –
(but less effect among NOBLERs)
trust and consensus –, legal +

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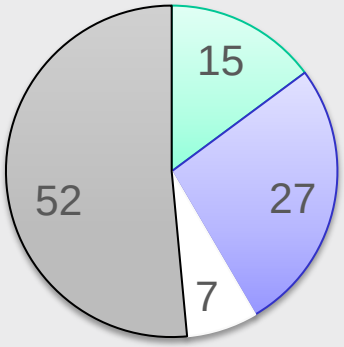
Importance at the board ('influence')

SEBLERs more polarized – top and bottom
NOBLERs more in line with CG recommendations – discuss matters until agreement



SEBLERs in recognize influence + (strong)
mandate +
confidence –
trust not sign

NOBLERs – no effect at all

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SEBLERs and NOBLERs

Never strong, but constantly signs of a more conflictual state in SE
Far more dependent on legal regulations (agree: 42 vs 23 per cent)
More polarized

Trade unions or ‘something Swedish’?
Reconzied role among SEBLERs affect influence
But less in the recognized group

Something Swedish?
Yes, data ….. ownership, board and control, CG code

Trade unions and ‘what is BLER’ or
- How do trade unions utilize the position (confidence could be a lonely position)

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So what?

Perception of representativeness and interest representation in times of less TU members, less active TU members

Do they get to choose?
confidentiality, time, rubber stamp boards, BLERs as stakeholders?

Management and shareholder reps appreciate ‘recognition’

- are BLERs still in such a difficult position - twisted between employee and company interests?
- training and contribution at the board

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Correspondence

‘Normal’ TU-rep?
In a shrinking ‘us’?

The volunteer?
Most skilled in what?
Which interest….

Delegate

Trustee

The ‘takes my turn’?

The expert?
The leftist PhD?

Diversity

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