Co-Determination and Forward Looking Corporate Governance

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Berlin Social Science Center

What Does Co-Determination Do?
2ND Biennial WZB-HBS Conference

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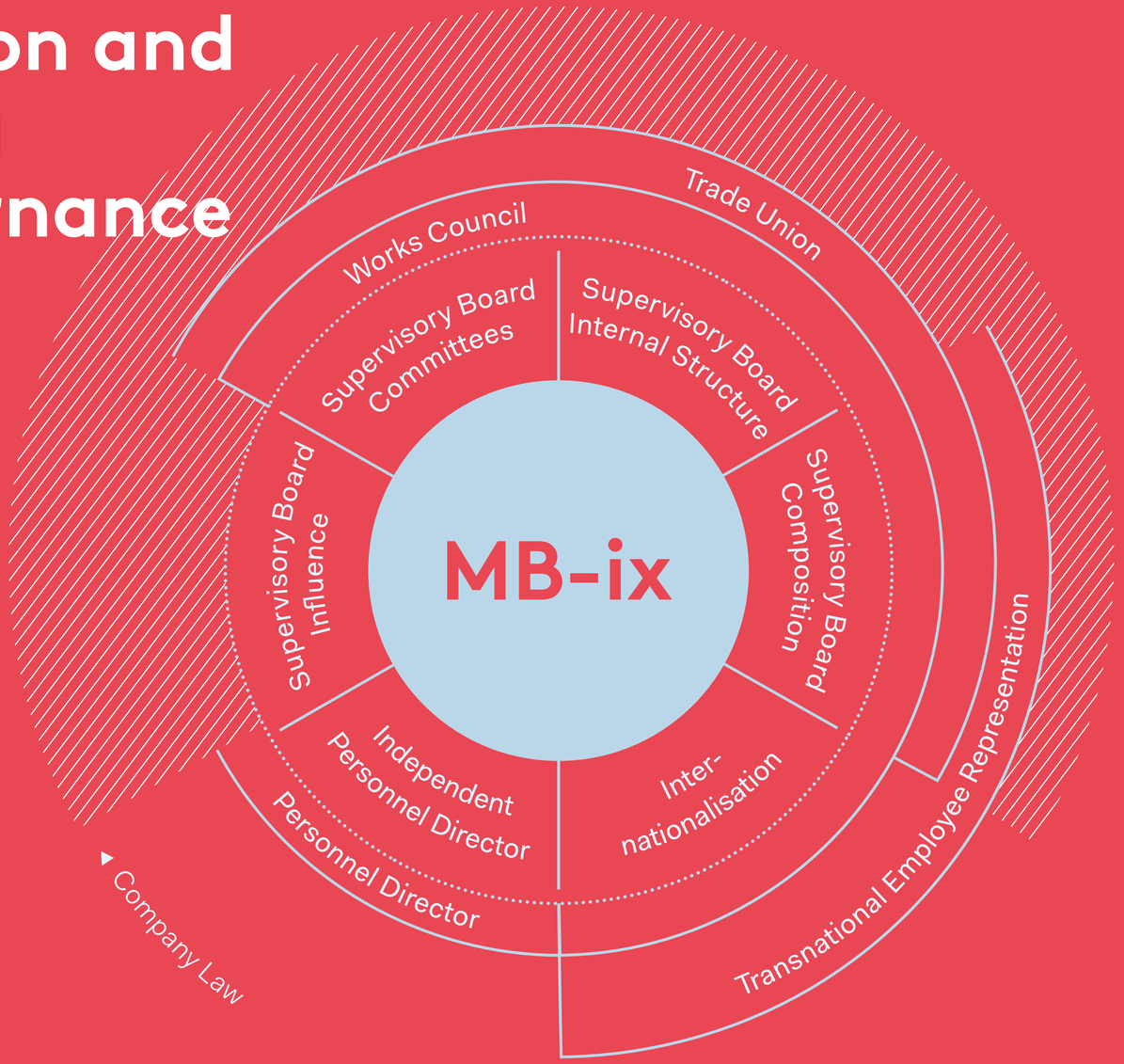

Measuring Workers' Strength and Influence with a Co-Determination Index (MB-ix)

Challenges for Co-Determination Research

- Differentiated measures of worker voice/power
- Broader range of dependent variables
- Long-term observation
- Comparative perspective
- Mixed methods
- Communicating results to a non-specialist audience

The MB-ix Project in Brief

- Six-component index of worker influence (MB-ix)
- MB-ix calculated for ca. 300 companies between 2006–2017
- Focus on relationship with sustainable company practices
  - Elements of “good work”
  - Sustainability-oriented management remuneration
  - Long-term investments
  - CSR/Sustainability practices
  - Ownership structures
- Financed by the Hans Böckler Foundation
- Cooperation with the Visual Society Program (WZB-UdK)

Team

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Lisa Anne Wing
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Assistent

Annika Holz
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Assistent

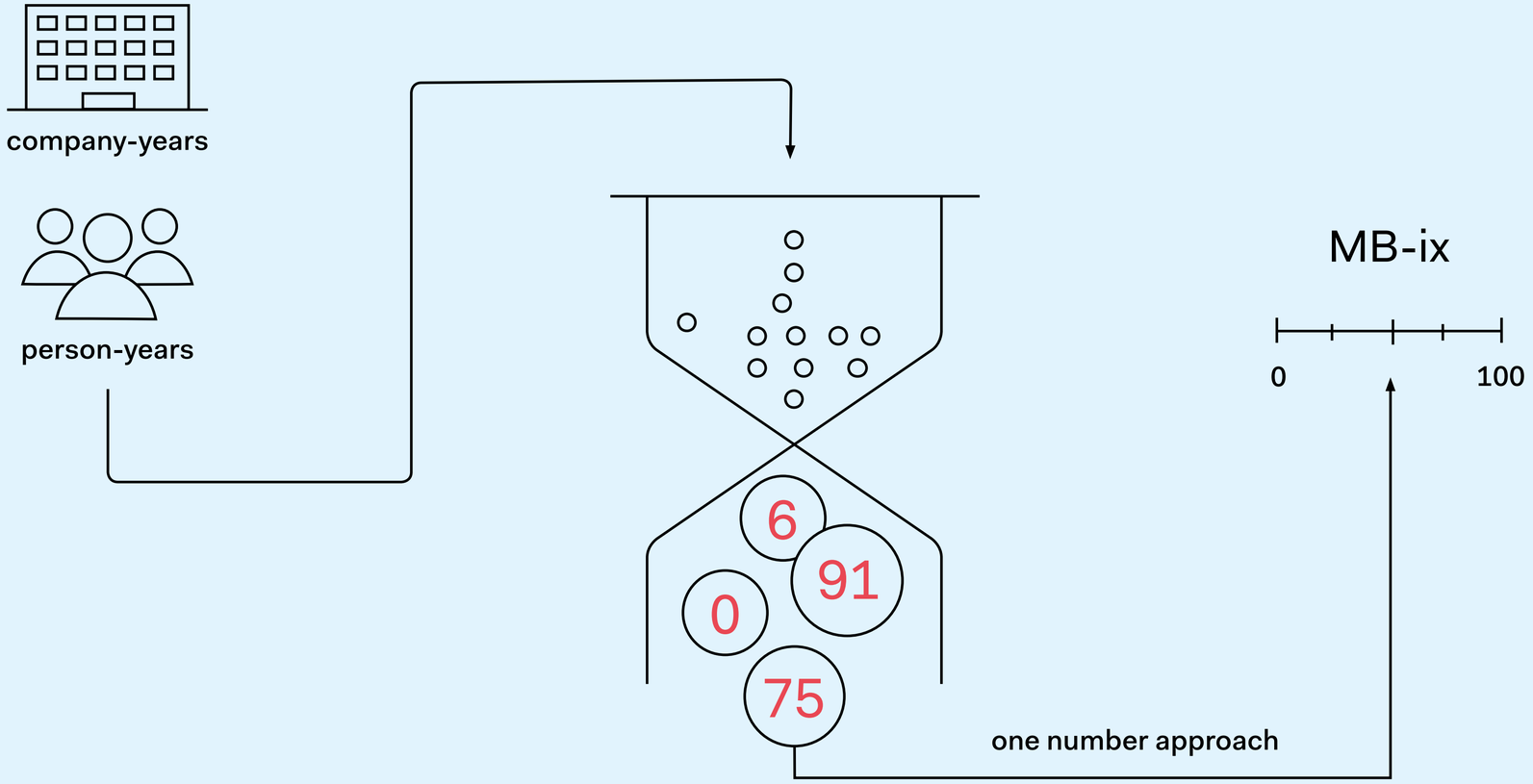
Ilana Nussbaum Bitran
Researcher
(until the beginning of 2017)

Anne-Marie Kortas
Researcher
(until mid 2015)

01
Methodology

01 Methodology

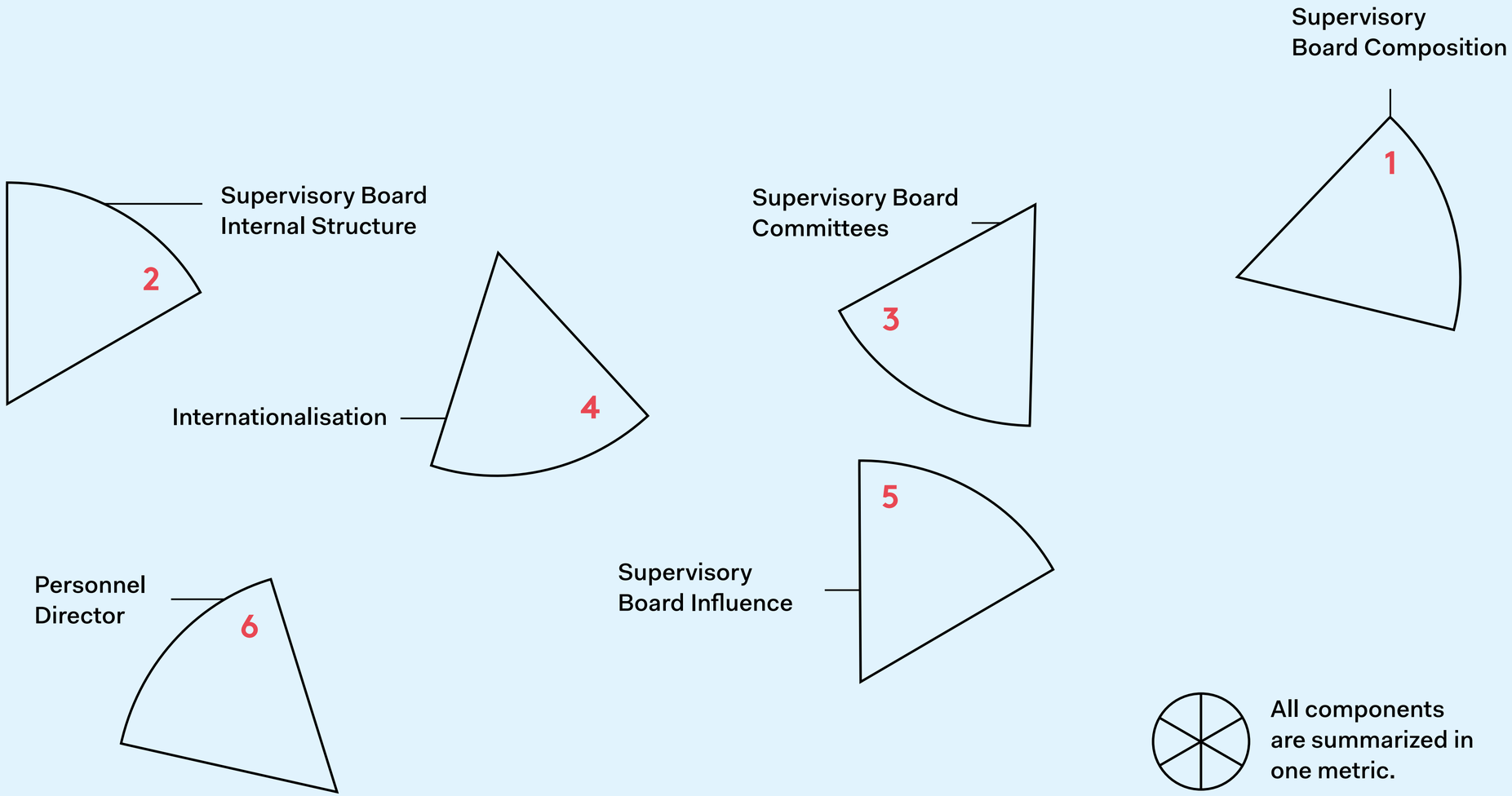
co-determination index



▸ Scholz/Vitols (2016): Der Mitbestimmungsindex MB-ix. Wirkungen der Mitbestimmung für die Corporate Governance nachhaltiger Unternehmen. Mitbestimmungsreport 22, Hans-Böckler-Stiftung. http://bit.ly/21lR9GJ

01 Methodology

The Six Components



02
Results

02 Results

A Comparison of MB-ix Average Scores

BY TYPE OF CO-DETERMINATION

- **85** Parity co-determination
- **44** One-third co-determination
- **0** Companies without co-determination
- **76** All co-determined companies
- **53** All companies in the sample

BY STOCK MARKET INDEX

- **81** DAX – big firms
- **60** MDAX – medium sized firms
- **28** SDAX – small firms
- **27** TecDAX – high tech companies

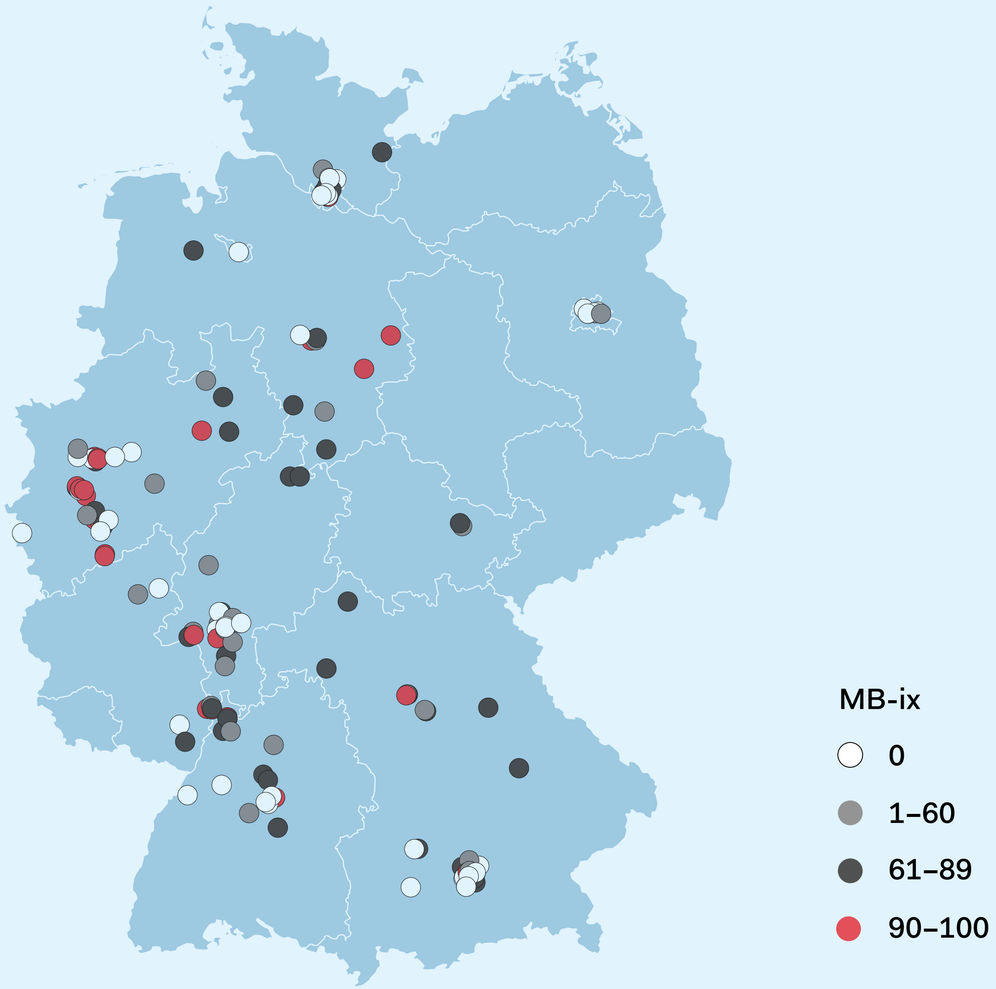
BY SECTOR

Only co-determined companies

- **78** Industry, construction, agriculture
- **91** Logistics, energy, telecommu-nications
- **72** Wholesale and retail
- **65** Banks, finance, insurance
- **58** Services
- **70** Health, education, social

02 Results

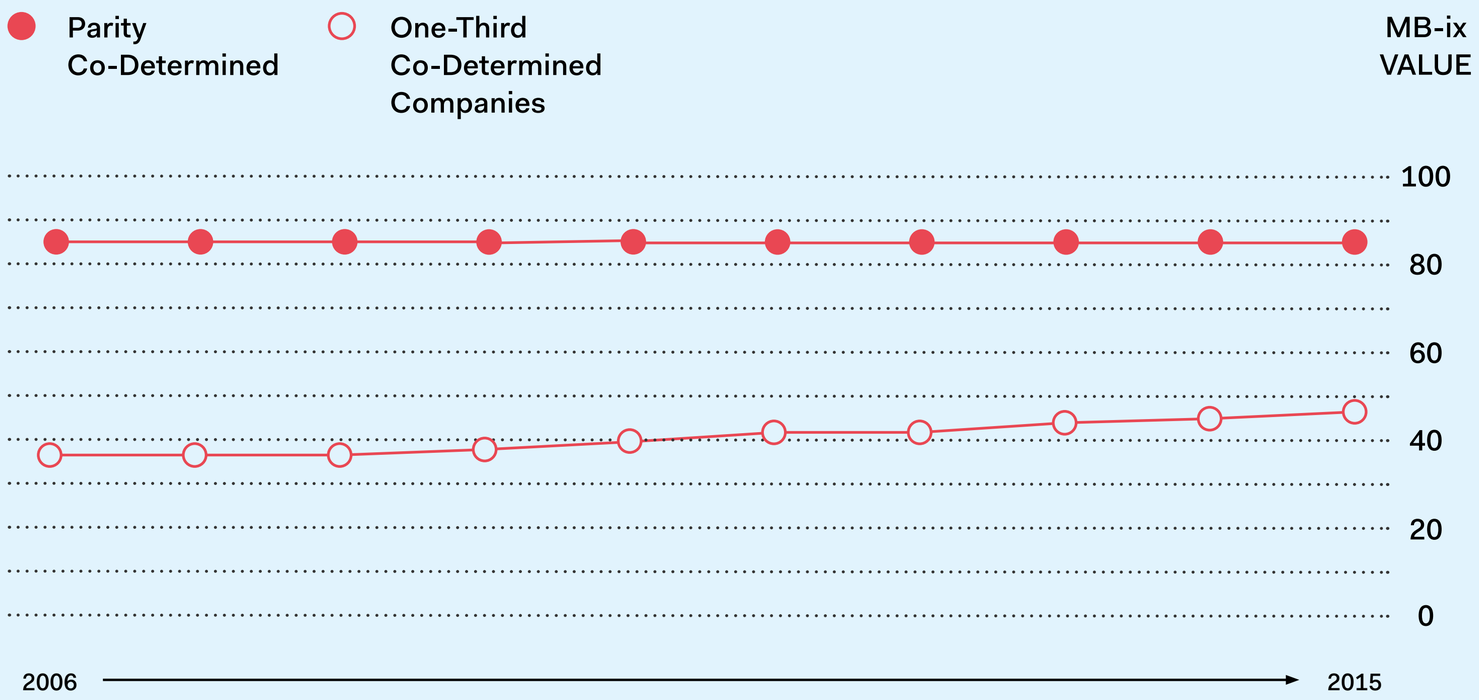
Co-Determination is Spatially Unevenly Distributed in Germany



▸ Scholz (2018): „Neuer Index macht die Mitbestimmung von Arbeitnehmern in Unternehmen erstmals vergleichbar“. In: Katapult – Magazin für Kartografik und Sozialwissenschaft, 8, S. 60-67. https://bit.ly/2syAWru

02 Results

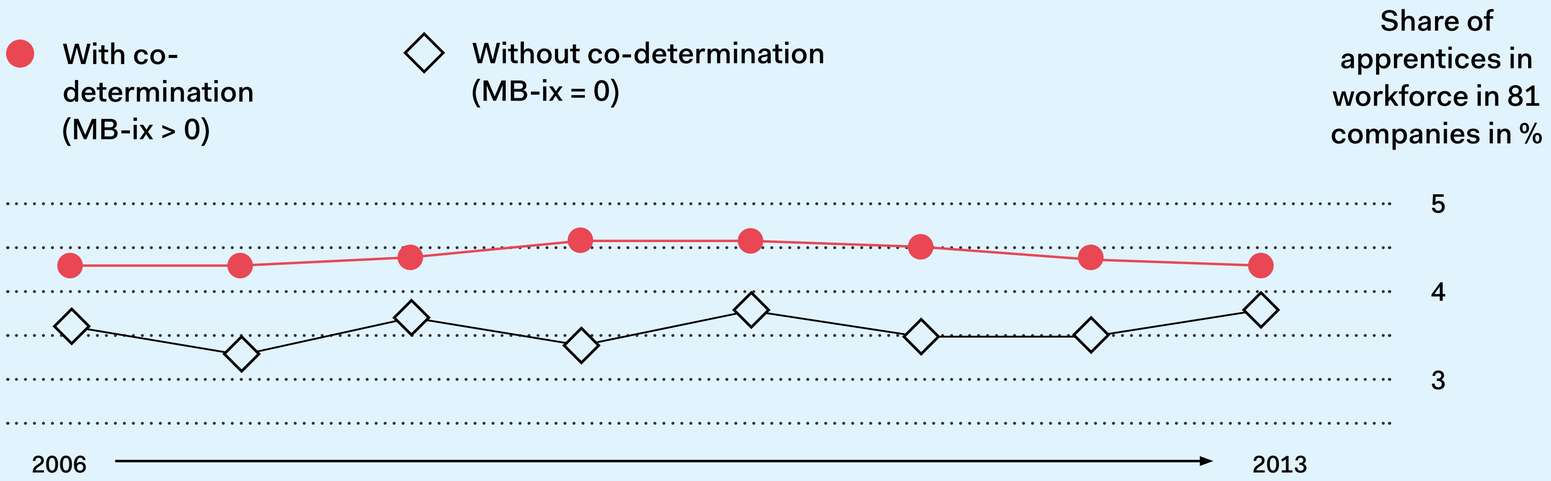
Co-Determination Defies the Financial Crisis



▸ Scholz/Vitols (2018): Der MB-ix in börsennotierten Unternehmen. Verankerung der Mitbestimmung im letzten Jahrzehnt. Mitbestimmungsreport 43, Hans-Böckler-Stiftung. https://www.boeckler.de/51908.htm

02 Results

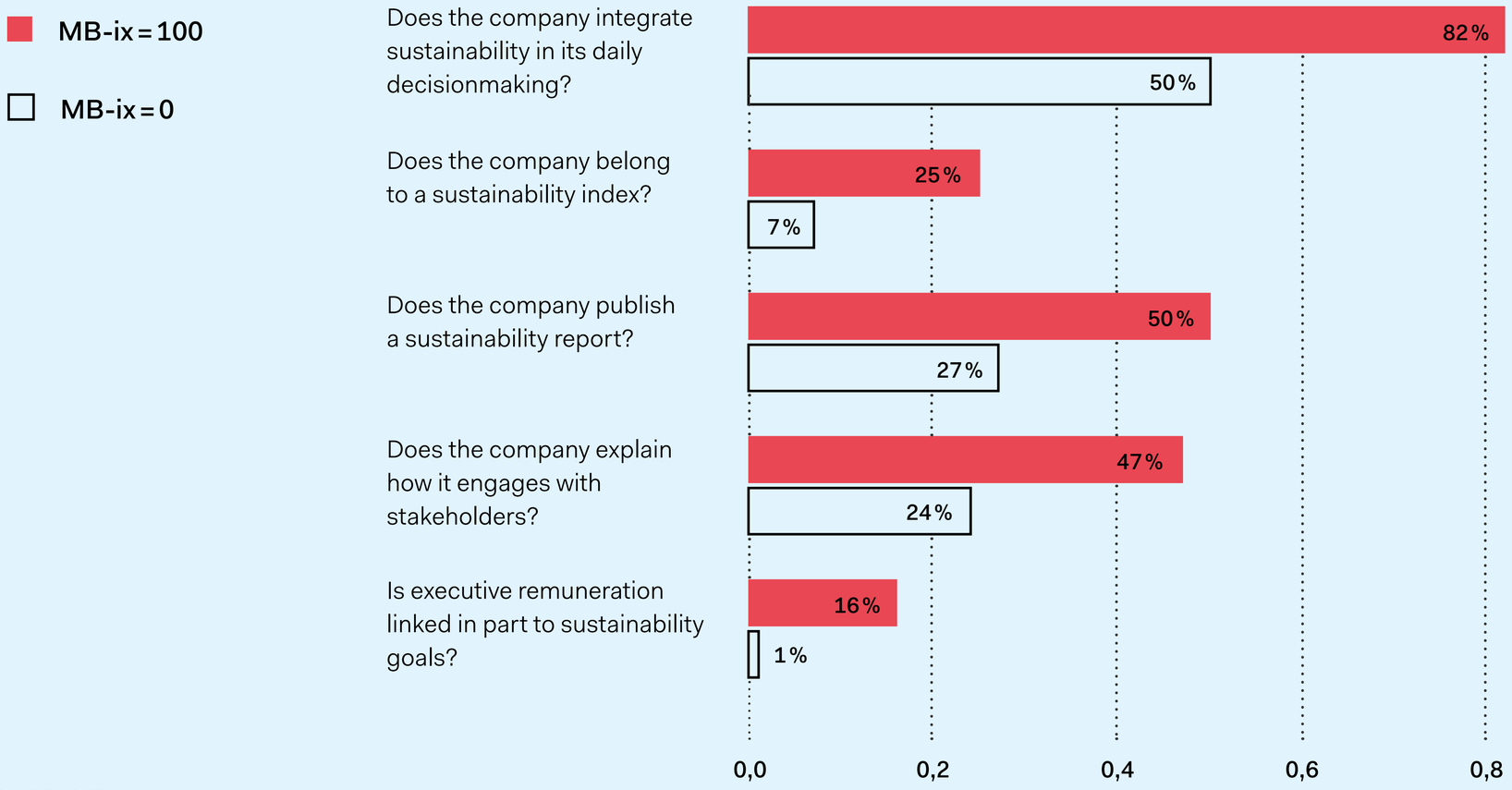
Vocational Education



▸ Scholz (2017): Der MB-ix und ‚Gute Arbeit' – Was wir messen können. Wirkungen der Mitbestimmung auf Personalstruktur und Arbeitsbedingungen. Mitbestimmungsreport 32, Hans-Böckler-Stiftung. http://bit.ly/2t9a0d1

02 Results

Sustainability is Better Integrated in Corporate Governance at Strongly Co-Determined Companies



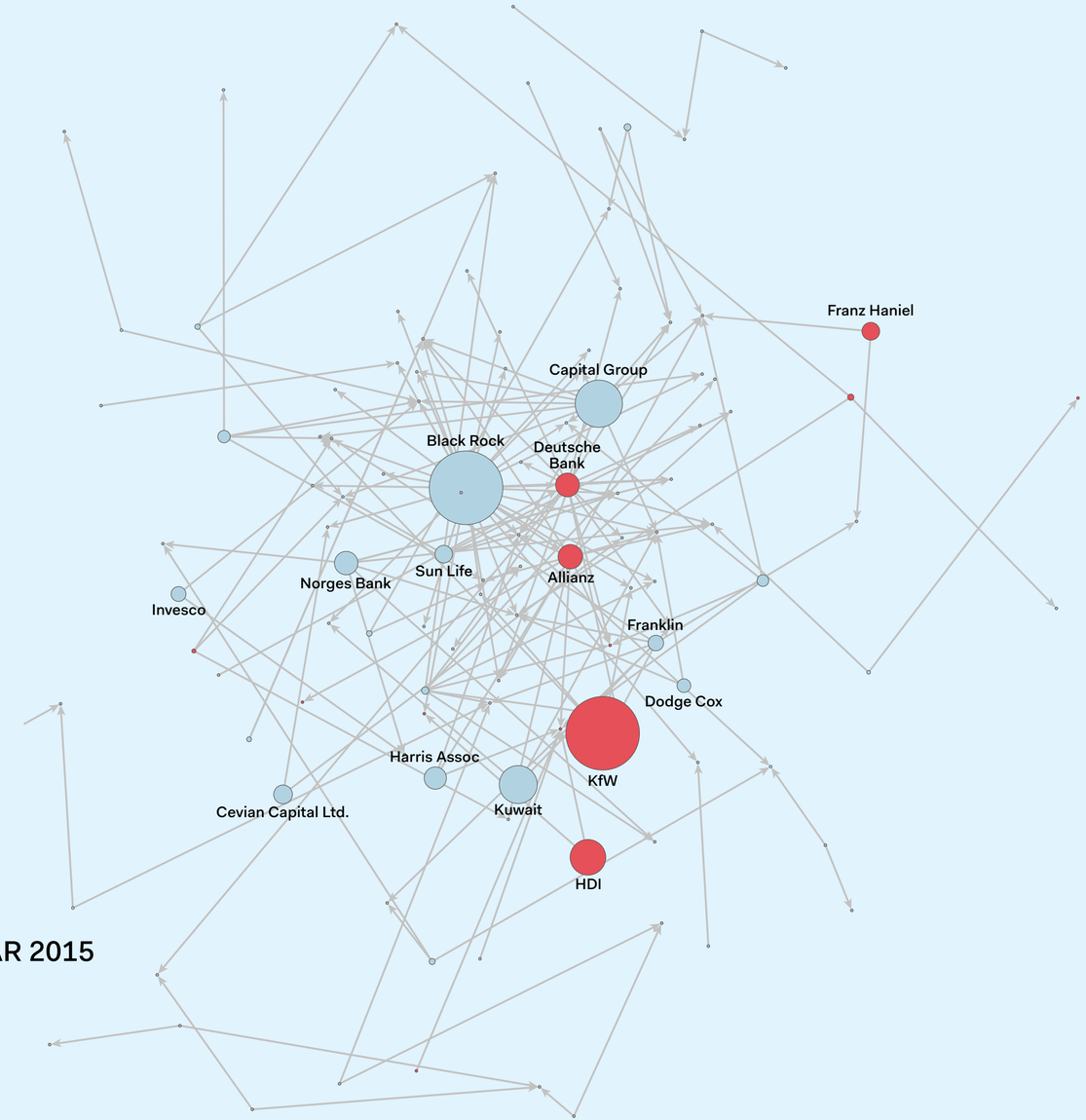
▸ Böckler Impuls 17/2016, https://bit.ly/2GrHbTH

02 Results

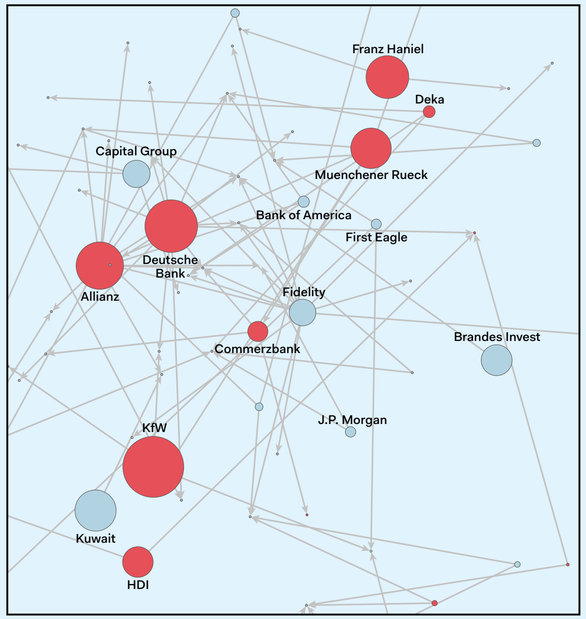
Co-Determination is More Necessary Than Ever!

German Investors

Foreign Investors



YEAR 2015



Year 2005

▸ https://bit.ly/2H7kpAM

Thank you!

To find out more, go to
www.mitbestimmung.de/mbix

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WZB
Wissenschaftszentrum Berlin
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