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2008

Online at <https://mpra.ub.uni-muenchen.de/62606/>

MPRA Paper No. 62606, posted 17 Jan 2023 07:50 UTC

# **Employee Participation in the European Company: Implications for the Greek Industrial Relations System**

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## **ABSTRACT**

The need for social cohesion and an ability to motivate workers has resulted in several European Union (EU) directives concerning employee participation within European enterprises. The adoption of EU directive 2001/86/EC, which deals with worker involvement in European Companies, will have several implications for the European industrial relations system, as well as for national systems. It is widely known that worker participation in Greece has not engendered a significant number of best practices for a variety of reasons. Some reasons include the historical background of the Greek industrial relations system; the considerable unwillingness of social partners to participate in procedures of bipartite cooperation; and, finally, the political factionalism within trade unions. Nevertheless, over the last decade, the EU has moved worker participation into the mainstream through adopting three new directives: 1. European Works Councils (1994); 2. Worker involvement in the European Company (2001); and, 3. The national framework on employee information and consultation (2002). If information, consultation and participation would be introduced and made functional in European Companies, it would diffuse such participatory practices in national industrial relations systems as a whole. The aim of this chapter will be to examine if the European Company Directive will aid in enforcing the dynamics of worker participation in Greece. Moreover, it will test the research hypothesis of whether or not the European Company Statute would improve labour-management relations in Greece, as well as disseminate participatory institutions in additional workplaces (apart from the subsidiaries of European companies). Furthermore, it will examine the attitudes of social partners.

*Key words:* European Company, employee participation, industrial relations, works councils

## **Introduction**

It has been widely accepted that institutions which have established employee participation are not considered a basic, integral part of the Greek industrial relations system. For this reason, employee involvement at the workplace has been limited in Greece, with only a few cases recorded of what could be regarded as “good practice”. The aim of this chapter will be to examine current trends of participatory practices in Greece, and to evaluate the dynamics that lie behind the broader issue of worker involvement after the 2001/86 EK Directive is implemented in the future. At first, the analysis will focus on the issue’s historical development in Greece. More specifically, the changes occurring during the 1980s, as well as a review of existing literature, will be discussed. Finally, the chapter will present the results of a recent survey examining the possible impact of Directive 2001/86/EK on Greek companies. The analysis will take into consideration similar experiences on a European level.

## **Early experience of employee participation at the workplace**

For many decades, the issue of employee participation has caused serious concern for the parties involved in Greek industrial relations. Nevertheless, worker participation in Greece is not as common as in other European countries for a number of reasons.

It should be pointed out that even the eminent Blanchard Report (a report on working conditions in Greece drawn up in spring 1978 by a team of experts from the International Labour Office (ILO)) highlights in paragraph 136:

...The activity or the trade-union presence at the enterprise level constitutes perfectly unknown phenomena in Greece. The fact is still more remarkable because this lack of employee participation at the workplace exists neither at the legal framework nor in practice. Thus, in Greece, personnel representatives, establishment-site, level committees, and health and safety committees are nowhere to be found. With the exception of certain special cases like public services and banks—where company level unions are well established—there is no legislative provision to allow the possibility of trade-union activity in the enterprise. As such, trade-union activities on a company level can be prohibited and limited depending on the amount of disciplinary power the employer wields. In order to fill this gap, trade-union organizations in Greece want the ratification of international convention Number 135/1971, which concerns workers' representation. However, presently, the government has not been encouraging its ratification (ILO, 1978: 62).

Keeping in mind the aforementioned points, it is obvious that the demand for worker participation in the decision-making process, on the enterprise level, was not promoted in Greece during the first 80 years of the twentieth century. In an effort to determine the reasons for this purely superficial level of employee-participative institutions in Greek enterprises (occurring up until the 1980s), the following points (Kravaritou-Manitakis, 1986:185; Koutroukis, 1989:32) have been noted:

- On most occasions, the Greek unions have expressed more general demands, and not demands directly related to company-level issues and circumstances. This fact could be attributed to the traditional sector-based, organizational form of Greek trade unions, and to their close connection with mainstream political parties. The close links between trade unions and political parties have resulted in a merely fragmentary—and sometimes not particularly convincing—demand for reinforcing employee participation at the workplace. Besides, Greek workers have had to face a plethora of problems (such as political factionalism within the union movement, considerable state intervention in labour-management relations, and in union elections and administration), which to a large extent, had been dealt with in other European countries a long time ago. Furthermore, if we take into account the restricted legal protection of trade-union activity, it is obvious that workers are inadequately promoting their demands for participation in the decision-making processes that influence their interests. To these difficulties, we should also add trade union anxieties that certain structures of employee participation could result in a further weakening of unions.
- The old-fashioned mentality of a large number of Greek employers (as well as their 'aggressive attitude' towards each form of employee enterprise involvement) imposed an authoritarian, controlling atmosphere in workplaces. As a result, each attempt to limit or control managerial prerogative was considered as a 'non-acceptable action'.
- The immoderate level of government interventionism in industrial relations (that contributed to the stifling restriction to the autonomy of social partners) caused trade union organizations to fail to promote participation through the process of collective negotiation.

- The economic growth model that was pursued by successive governments in Greece after WWII, in combination with the limited size of enterprises and immigration flows, resulted in a reduced ability to absorb the processes of information, consultation, and participation at the workplace.

These points are clearly emphasized in a relative study of workers' participation over the period between 1910-1981: 'All the efforts for the promotion of employee participation, whether in the institutional field or in practice, clashed with strong opposition from the state and employers'. This dual power (state and management) gave rise to huge obstacles each time there was an attempt to establish participative institutions in Greek workplaces. This was met with either official or non-official tolerance of the trade-union movement. Employers managed to win the battle in their struggle with employees in the framework of a paternalistic state, insofar as it governed industrial relations and, more specifically, employee participation (Koutroukis, 1989:33).

### **The crucial turning point of the 1980s**

After 1981, the need to bring the country's national legislative framework in agreement with the obligations imposed by its entry into the European Community (EC), resulted in a significant re-establishment of the social partners' views on participation. The same applied to the labour market policy after 1981. This evolution was reinforced by ideological and political factors. And, in broader terms, both ideological motives, and the revision of the actors' views on industrial relations, accelerated the trend towards importing participative schemes through State initiatives (Nikolopoulos, 1987). In other words, the State became an agent of change and modernization for the industrial relations landscape, thus working in a supportive way toward establishing institutions for employee-participation at the workplace. It is of great significance that a worker participation clause was introduced into many legal documents during that period (Kravaritou-Manitakis, 1986:95; Stavroulakis, 1989:118–121).

Thus, after the introduction of law 1264/1982, a number of important legislative initiatives were pursued. It should be pointed out that law 1264/1982 (regarding the democratization of trade-union movement and the establishment of trade-union freedom) acted decisively in enhancing union protection at the workplace. The respective legislative initiatives that took place since the early 1980s were (Koniaris, 1990):

- Law 1365/1983 on the 'socialization' of enterprises of public character or public utilities, which established worker participation in their Boards.
- Law 1385/1983 on the supervisory councils of enterprises in quarrying and mining, which established worker participation on these councils.
- Law 1386/1983, which established worker participation in the management of various enterprises supported by the state, to overcome certain financial problems.
- Law 1387/1983 on the control of collective redundancies that recognized the right of employee representatives in private enterprises to be consulted by management in cases of mass redundancies.
- Law 1568/1985 on health and safety at the workplace, which guaranteed the right of employees to elect health and safety committees.

The early 1980s were also characterized by the establishment of various participation schemes in certain private enterprises (such as Amiantit, Belka, Koulistanidis-Koutsakis, PYRKAL and Pantelemidis). Those efforts were of a rather sporadic, and, in any case, they did not manage to change the negative perception of employee participation, which continued to prevail in the private sector of the economy (Bruyn and Nicolaou-Smokovitis, 1989:120 - 127).

The most decisive step toward establishing a worker's right to participate in management decisions was taken, however, in 1988 with the adoption of law 1767/1988 on the enactment of works councils, as well as the ratification of International Labour Convention No. 135. This law was enacted by the National Parliament (in a climate of consent) with the acceptance of employers and trade unions, with the exception of a few negative stances taken by certain sector-based worker federations (Romanias, 1999:71; Koutroukis, 1989:37). More specifically, Law 1767/1988 stated that each enterprise employing at least 50 or more individuals has the right to elect a works council (WC) in order to improve worker representation. For enterprises that employ between 20 and 50 individuals, the law establishes workers' rights to elect a WC, provided that a trade union organization does not already exist in the enterprise.

Moreover, many enterprises in the private and public sectors have occasionally established participative institutions. In certain cases, these involved worker directors on the board of those companies, while others involved the use of multiple forms of employee representation (ELKEPA, 1990:24). However, in practice (and despite the legislative establishment of company-level employee participation) law 1767/1988 was not able to activate participative processes in the economy's private sector. Indeed, according to research conducted by the Labour Ministry in the mid-1990s (Table 1), only 126 works councils were recorded across the entire territory of Greece, while 2,290 domestic enterprises employed 50 workers or more, and 4,151 employed 20-49 workers (Gatis, 1998).

**TABLE 1**  
**WORKS COUNCILS IN GREEK ENTERPRISES**

Enterprises with:	Works Councils		Enterprises	
	Number	%	Number	%
20-49 employees	-	-	4,151	65
50 employees or more	-	-	2,290	35
Total	126	2	6,441	100

Source: Gatis, G. (1998)

Consequently, the same research concluded that works councils had been established in roughly 5.5% of enterprises with 50 or more employees, and in roughly 2% of enterprises with 20-49 employees (Gatis, 1998). Moreover, participating institutions have not been developed at all in small enterprises employing less than 20 workers. And these small enterprises constitute, by far, the largest majority of workplaces in Greece. In addition, the limited efforts to apply certain informal participation schemes to private enterprises throughout the 1980s were short-lived. Indeed, they were not expanded into a wider proportion of enterprises. Moreover, in the so-called 'problematic' ex-private enterprises, the experiment of incorporating employee participatory mechanisms contributed to a degree of contempt that enveloped them. (Nikolaou-Smokovitis, 1988:184, Stavroulakis, 1989).

Similar conclusions can be drawn for public enterprises. Law 2414/1996 after the repealing of a trajectory (characterized by many contradictions and conflicts), and the abolishment of involvement mechanisms once found in the majority of companies under public control (Romanias, 1999:49). Finally, Greek participation was much improved following the adoption of Presidential Decree 40/97, which incorporated directive 94/45/EK into Greek legislation. Though this directive was implemented on a European level, the requirement of Greek representatives on European Works Councils inadvertently created a participative institution in Greece, which provides opportunities for worker representation at a higher level for community-wide enterprises or groups.

According to research conducted by the Labour Ministry 31 December 1997, 73 enterprises satisfied the terms of Presidential Decree 40/97. On the other hand, according to Ministry calculations, around 30-50 multinational companies (MNCs) did not answer the questionnaire. Among the 73 enterprises covered, 47 have already established a European Works Council (EWC) with the participation of a Greek workers' representative, while in four enterprises the EWC was in a process being formed. About 36 EWCs had been proposed before the beginning of the obligatory implementation deadline regarding the specific directive (22 September 1996), while a further 11 EWCs had been proposed after that date (Gatis, 1998).

## **Review of main studies**

Over the past few years, a number of studies have been published that sought to explain the reasons for Greece's significant delay in the field of participative institutions. Jecchinis (1997) believes that the causes of the relative success of lower-level participation in Greece can be attributed to the fact that their legislative introduction was better prepared, as well as the fact that wider support followed the corresponding legislative initiative. In his relative study of cases from the Greek industry, Jecchinis (1997) pointed out that the degree of success of institutionalized, as well as non-institutionalized, forms of employee involvement depends on the faculties of HR managers and on appropriate training of parties dealing with the broader themes of worker participation and involvement (Jecchinis, 1997). According to Spyropoulos (1991), the Greek experience of employee participation was determined to a large extent by:

- The limited interest of enterprises to achieve social consensus with workers (because of the authoritarian management style they have adopted); the large number of small and/or union-free enterprises; the high rate of self-employed among the workforce; and the technological delays in Greece.
- The employer's attitude, which is not characterized by a tradition of participation, and the fact that they often oppose legislative regulation of employee participation at the workplace.
- The Greek trade-union reality, characterized by plenty of small trade union organizations; strong political factionalism; powerful unions in public utilities and the banking sector; the legislator's frequent dependence on satisfying trade-union claims; and the lack of trade-union executives with appropriate expertise.
- The plethora of legislative acts imposed by the government, without clear evidence that the interested parties involved had accepted such legislation; in addition to the insufficient application of legislation, there were also issues dealing with the lack of open dialogue and tripartite co-operation on a national level.
- The competitive character of the national system of industrial relations; the polarization between social partners involved; the lack of a tradition and culture of social dialogue; extended government interventionism; the political leanings of union claims; and, the poor conduct during collective bargaining.

In a study entitled 'Industrial Relations, Working Environment and Productivity' it was found that in the vast majority of the small enterprises, there were no mixed committees with representatives of workers and management. Furthermore, the study suggested that as long as the enterprise's size increased, the number of participatory committees increased. While a correlation between the establishment of those joint committees and the size of the enterprise seems to exist, there were no such differences found between Greek companies and the multinational ones in establishing similar committees (ELKEPA, 1990: 52). It appears that the degree of existence and operation of delegates for each enterprise was in proportion to its size, while the distribution of delegates between Greek and multinational enterprises did not show serious differences (ELKEPA, 1990:52).

Still, one of the study's conclusions was that the legislated forms of employee participation is more likely to succeed in enterprises that had already established various informal forms of delegates (in other words, some form of pre-existing training for workers, as well as personnel delegates (ELKEPA, 1990:103)). The committees also reported on the research dealing with: health and safety at work; purchasing materials; selling of old inventory stock; the cafeteria; personnel issues; commuting; the food service station; excursions; festive events; and residence issues.

In the same study, it was noted that the operation of such committees in enterprises with more than 50 employees is more successful only when there was a pre-existing legislative establishment. Moreover, it was emphasized that the application of relative law provisions has contributed very little to success so far. More specifically, the health and safety committees that used to operate in many (predominantly large) enterprises merely continued operating and regulating thereafter. In contrast to this, works councils introduced by the law 1767/1988 did not become accepted in practice in most enterprises. This comprehensive study also found that enterprises with pre-existing powerful company-level unions could not develop works councils. The reason was that powerful company-level unions would not accept employee representation through works councils for fear that these councils would substitute and decrease the strength of worker representatives in trade union organizations (ELKEPA, 1990).

In doctoral research that took place in the late 1980s, certain interesting conclusions were drawn (Stavroulakis, 1989:321-322). More specifically, in Stavroulakis's empirical research on manufacturing sites, it was realized that the initiatives for introducing forms of employee participation yielded the desirable results only when the initial objectives of participation had become accepted by the parties involved. Moreover, the dynamics of the participative process was strengthened substantially in cases where a climate of acceptance had already been established. Finally, that study realized that worker representatives in Company Boards contributed to the standardization of relations and the facilitation of top-down communication within enterprises (Stavroulakis, 1989:323).

Furthermore, certain studies, more specifically, tried to investigate forms of employee participation and its role. In a pertinent empirical study by Kufidu and Mihail (1999: 496-497) conducted in 22 private manufacturing enterprises that employed more than 200 workers, it was found that the level (information, consultation, negotiation) of indirect worker participation through works councils results in differences in many responses. Some differences included: training; the introduction of new technology; the transportation of installations; the reshuffling of employees; and rules of redundancy. In the same study, it was found that legislation was the most decisive factor in determining the different degrees of employee participation (Kufidu and Mihail, 1999:497). It was also discovered that the most vital (and most painless) operation of participative institutions dealt either with issues of health and safety at work, or with collective redundancies. This was in sharp contrast to the other option of forming works councils as a reaction to law 1767/1988.

In a number of enterprises, this could account for the numerous deviations in the exercise of participative rights in a variety of issues. As the authors of that study conclude, 'The indirect forms of employee participation are limited in terms of information levels, and it appears to depend greatly on legislation' (Kufidu and Mihail, 1999:498).

### **Recent research evidence**

One recent study dealt, inter-alia, with the current Greek experience of employee participation (Koutroukis, 2004). This in-depth investigation focused on industrial relations in nine (9) affiliated enterprises of multinational groups from two economic sectors (foods-beverage and petroleum products-lubricant), through conducting interviews with semi-structured questionnaires. A history of employee participation already existed in the institutions that were investigated. More specifically, they were Health and Safety Committees (found in all reviewed enterprises) and Works Councils (found only in a small number of the surveyed enterprises). In fact, works councils constituted the only form of employee representation in companies with petroleum products and lubricant sectors. Similarly, the foods/beverage sector only has works councils in limited cases. On the other hand, Health and Safety Committees exist in all the enterprises examined.

This discrepancy is closely connected to the fact that the constitution of Health and Safety committees establishes the rule in enterprises of this size, since they are often and easily included in the social policy measures that are usually adopted by companies. In contrast to this, Works Councils do not encourage an employer to have a positive attitude, as it can restrict managerial rights to a greater extent than Health and Safety Committees. In reality, Health and Safety Committees display a limited, advisory competence that 'threatens' managerial rights, among other things. On the other hand, the development of a council's constitution of works depends on employee initiative. In many cases, however, employees do not urgently want the bodies to operate, since typical trade unions exist on a company level. For this reason, in many cases certain trade unions have discouraged the creation of works councils.

Despite the trade unions' widespread skeptical attitude toward employee participation, research has shown that problems between trade unions and employee participation institutions have been set up and treated differently by both sectors. In the petroleum and lubricants sector, in which the sovereign form of trade union representation is sector-based, works councils in the workplace are considered the 'backbone' of the sector-based trade union (Koutroukis, 2004: 188).

The participants of the survey included worker representatives in European Works Councils and HR managers. It covered all eleven (11) multinational companies in Greece with a functioning EWC, which are found in merely two sectors (food/beverage and petroleum/lubricants). The vast majority of worker representatives expressed positive opinions about institutions dealing with information, consultation and participation. In fact, nine out of eleven participants considered the existence and operation of these bodies positive. In the food and beverage sector, six out of eight participants supported the above opinion, while in the petroleum and lubricants sector an absolute consensus (three out of three) was found, as everybody had a positive attitude about sustaining institutions of information, consultation and participation at the workplace.

It is important to note that a European Works Councillor from the food and beverage sector suggested that such institutions are of 'small reciprocity', while another said that they do not play an essential role, as the consultation procedure do not considerably influence the enterprise operation. A worker representative said that "works councils play a positive role because they are guided by, and belong to, the company-level union;" another representative stressed that "at least through these bodies, management and workers can exchange information". Using similar rationale, another worker representative from the food and beverage sector pointed out that the bodies in the companies are not generating enough correspondence "because they think they should filter any information they get from managers," while another one added that in his own enterprise "works councils are not only closely



associated with the company-level trade union, but they are also guided by and accountable to it” (Koutroukis, 2004: 186).

In theory, all nine of the human resources managers questioned about employee participation institutions shared positive opinions. This is because when they evaluated the participative institutions within their own companies, their opinion was no longer unanimously in support of employee involvement. In particular, most managers (eight of nine) considered that the bodies of information, consultation and participation positively affect labor-management relations. For example, it was reported that an HR manager in the food and beverage sector believed that “regular participation positively contributed to labor-management communications,” but another stated that “these institutions create more obstacles and work less toward promoting the interests of workers.” An HR manager from the petroleum products and lubricants sector said that “specifically for the resolution of certain problems, a positive contribution has been made through the existence of such institutions,” while another director of the same sector stressed that “a works council creates a communication body for the dissemination of information regarding corporate policies and strategies” (Koutroukis, 2004: 207).

Various representatives of social partners (e.g, the Labor Ministry, the General Confederation of Workers, and the Federation of Greek Industries) expressed a positive opinion about employee participation at the workplace. Nevertheless, due to the fact that theory and practice often contradict each other in the Greek industrial relations system, it is not surprising that a representative of one of the social partners stated that “the trade-union movement itself discouraged the creation of such institutions in Greece, while employers were always negatively predisposed to them.” In addition, one trade-union official said that employers respond to such issues only when the demands of the trade-union movement are effectively presented,” and that “employers never acquiesce to such rights without feeling a corresponding pressure” (Koutroukis, 2004: 219). Despite the reciprocal transfer of responsibilities for the limited growth of participation schemes in the Greek industrial relations system, it appears that a substantial number of trade unions, as well as employers, discouraged (or at least did not encourage) the constitution and establishment of such institutions. The relevant opinions are reported in greater detail in table 2.

**TABLE 2**  
**EVALUATION OF THE GREEK SOCIAL PARTNERS REGARDING PARTICIPATION AT THE WORKPLACE**

Institution	Position
Labour Ministry	Existence of an appropriate and well developed legislative framework that was not put in practice in a widespread number of enterprises.
Federation of Greek Industries	The respective legislative framework seems adequate if we take into account the recent enactment of the employee consultation EU Directive. The institution of employee consultation and participation should be working on the basis of peculiarities of each workplace and under a legislative framework that allows for certain deviations.
General Confederation of Workers	The national framework is inadequate, while the existing one is not taken into consideration by the employers. In public utilities, certain forms of employee participation were abolished in 1994. Moreover, employee participation in Company Boards was also abolished after the sale of 51% of shares to the private companies and funding trusts (e.g. The Greek Telecommunications Organisation (OTE) and the Greek Petroleum Company (ELPE). In the private sector, works councils and health and safety committees have been set up only in a small number of enterprises, and are working in a very restricted environment due to the employer’s hostile attitude towards participation. Nevertheless, certain trade unions are extremely skeptical

	about them because they fear that they have the potential of usurping employee representation at work. As such, several employee institutions should be revived in the area of public utilities, and further expansion and implementation of existing legislation to the private sector must take place.
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Source: Koutroukis, (2004)

The same research found that EWCs operate more effectively in intensely internationalized MNC subsidiaries, that already provide works councils, while trade unions are not activated on the company level, but they undertake an advisory role. More specifically, within manufacturing MNC subsidiaries, that adopt both the sector-based form of trade unionism and the works councils, a greater effectiveness of EWCs is found as well. It is likely that previous experiences of participants who are in these enterprises, combined with an explicit discrimination of collective-worker representation institutions (both at company and at supra-company levels), positively affect the way European Works Councils operate” (Koutroukis, 2004: 259-260).

**Employee participation as a result of the implementation of 2001/86/EK Directive in Greece**

With the implementation of Directive 2001/86/EK, a new role for workers in European Companies (SAs) was established so that workers could play a role in this new form of company, according to recommendations outlined in 2157/2001 regulation (Avagianou, 2002). More specifically, the rights this directive introduces for employees are the rights of information, consultation and—for first time in an EU directive—participation. In other words, for the first time a worker has influence in company affairs through: a) the right to elect or to appoint certain members to a company supervisory body; and/or, b) the right to propose and/or reject the nomination of any member of the company’s supervisory or administrative body (Sinaniotis - Maroudis, 2004, Chetcuti Cauchi, 2001a, 2001b, Bedrač, 2006). However, the amount of employee participation depends on the outcome of negotiations and bargaining between the parties involved (Veersma and Swinkels, 2005).

This important directive has just been incorporated into the national legislative framework through Presidential Decree 91/2006. Nevertheless, its implementation in Greece is expected to have important effects. First of all, this directive is included among a number of relevant directives that promote employee participation in Europe (e.g., the European Works Councils Directive, the Directive on a worker’s role in a European Company, the Directive on information, and consultation on a national level) (Keller, 2002, Knudsen, 2005). Moreover, the Regulation and the Directive on European Companies are meant to recognize the dual system of company administration and supervision, as well as the possibility of worker participation in a supervisory or administrative board. From a legal standpoint, these developments will constitute important institutional changes in a country where the single system prevails, while the efforts to introduce employee participation schemes without trade union involvement have resulted in failure (with the exception of some state enterprises).

Consequently, social partners in Greece are henceforth compelled to acknowledge that they will likely have to apply certain forms of employee participation at an administrative level. Even if this participation is not ultimately mandated, the information and consultation rights will constitute innovative elements for Greek enterprises, especially when incorporated into the decision-making process in Greek

companies. Thus, certain questions that emerge as a result of this directive and its potential integration are the following (Nikolopoulos, 2006):

1. What will be the role and the attitude of Greek worker representatives in the Special Negotiation Body and the representative bodies?
2. How many Greek enterprises will be included in the new legal framework, and will it be the result of a central administrative decision or self-imposed?
3. What will be the impact of the new model once it has been applied to industrial relations at a company level? How will companies and trade unions be affected by this change?

Certain thoughts regarding the above questions will be expanded upon through the undertaking of the PYTHAGORAS II research project (CIRN-AUEB, 2006). Its initial results have been outlined below (Nikolopoulos, 2006):

- The role and attitude of Greek workers are directly related to the bargaining power that they will develop inside the bodies of information, consultation, or participation. It is obvious that the number of Greek representatives will be relatively small in proportion to their European counterparts (considering the small size of Greek enterprises). This also happened in the European Works Councils. Still, the lack of experience of Greek worker representatives in corresponding forms of employee participation puts them in a more unfavourable place in relation to their colleagues from countries with a long-lasting tradition of employee participation in similar institutions.
- It is difficult to anticipate the number of Greek enterprises that will adopt or be influenced by this particular directive, as relative empirical evidence does not exist. However, if we use the EWCs as an example, the number of enterprises will probably be low.
- The answer to that question is also awkward. However, certain likely positive and negative effects are discussed below. If the new pattern of participation influences positively the workers in the respective companies (bargaining power, autonomy, job satisfaction) is likely to be activated after many years a discussion regarding the role of workers within enterprises. This will depend on the workers themselves, trade unions, and the enterprises. In addition, if the European S.A. model of employee involvement does not meet the challenge for better labour-management relations in its companies, it is unlikely to diffuse that participative model in other companies that do not fall under the 2001/86/EK Directive. In any case, negative past experiences show that Greek unions, which have maintained a rather negative attitude in corresponding institutions, are resistant to new institutions.

Consequently, Greece does not have a great tradition in employee involvement. Moreover, certain characteristics of the Greek industrial relations system continue to create the background for the lack of support in the new institutions (Nikolopoulos, 2006):

A) *Decreased bargaining power of trade unions at any level.* This point leads to skepticism regarding employee participation for fear of a possible reduction of their already limited bargaining power, as well as union density levels. There is limited possibility of incorporating such institutions within the structure of the trade-union movement in order to promote trade unions and worker's interests.

B) *Ideological reasons.* Arguments against employee participation in Greece focused on the fact that employees have traditionally been "unfriendly" to trade unions; many of them even considered such institutions as incompatible with typical Greek trade union organizations.

C) *Organizational reasons.* The interests that are developed inside trade unions, or between unions and employer organizations, prevent the growth of a system of worker representation that would be considered "competitive." In addition, the state causes the same effects. Greek managerial executives have a relatively negative,

intolerant attitude toward participation schemes that could undermine their “right to manage.” For social and historical reasons (many small- to medium-sized family enterprises, with either slow or “fake” capitalistic growth), Greek management has been authoritarian enough.

## **Discussion**

An initial attempt to assess Greek employee participation yielded unimpressive results. In 1998, the Ministry of Labour suggested that only 126 works councils had met the implementation provisions of the applicable law, out of a total of 6,441 enterprises. In other words, only 1.96% of the companies that could sustain a works council did. More employee participation was seen at the upper levels of a company. Apart from the few informal experiences of worker involvement in the boards of certain private enterprises, a special institutional framework (Law 1365/83 and Law 2414/96) allowed worker participation in the boards of 36 public enterprises and organizations. A different model of worker involvement in Greece resulted from the application of the 94/45/EK Directive.

Due to the EWC Directive, there are currently about 50 worker representatives in the European Works Councils of various groups. Pertinent research has provided extremely interesting results: 1. Eighty percent (80%) of these representatives were men; 2. Twenty-nine percent (29%) could not speak any language other than Greek; and, 3. Thirty-six percent (36%) were not members of a trade-union organization (Koutroukis, 2004). Undoubtedly, a critical factor that has affected the promotion of participation in Greece in the past few years has been European social policy.

To sum up, it has been said that there has not been a great tradition of employee participation in the workplace. On the other hand, social partners are fearful and skeptical of worker involvement in enterprises. This assertion is strengthened by the fact that the promotion of participative institutions during collective bargaining is virtually non-existent. However, limited past experience concerning worker participation allows certain conclusions to be made:

- There are strong indications that worker participation has had beneficial (not negative) effects on labour-management relations within enterprises, wherever it was applied. Moreover, it appears that an enterprise’s previous experience with certain forms of employee involvement plays a decisive role in determining the success of any future undertakings.
- Worker involvement appears to be more effective in enterprises where confusion (and potentially conflict) in worker representation between trade union and works councils did not exist. In other words, the works councils are well developed, when they are combined with sector-based unions, and they both collaborate in harmony.
- The legislative initiatives provide an institutional framework. They do not, however, ensure the actual application or long-term operation of employee participation forms at the workplace. On the contrary, legislative intervention strengthens the probability of informal participative experiences already in operation. In any case, a critical factor for the success of employee participation appears to be whether or not social parties in these enterprises are cooperating from the onset.
- The training of worker representatives appears to be a particularly critical factor for the promotion of worker involvement. Participation is deemed effective when worker representatives have received proper training with enterprise initiative and/or corresponding trade-union organizations. This fact leads one to conclude that the Greek industrial relations system had not encourage the growth of employee participative institutions. The hostile attitude of the majority of social partners contributed decisively to this development. However, the imminent application of 2001/86/EK Directive on the role of workers in the European Companies, as well as

Directive 2002/14/EK regarding the establishment of a general framework for information and consultation, is likely to produce a different reaction from Greek social partners when considering employee participation. The more specific aspects of this development will depend on the ability of Greek social partners to overcome weaknesses of the past, but also to inaugurate a common, reciprocally beneficial, effort to promote the “merely misunderstood” participative institutions within the framework of the European social model. As such, social partners’ efforts would prove to be advantageous in promoting employee involvement in Greece. That effort should include not only proper training programs for worker representatives, but also for HR executives, in order to ensure the broader acceptance of the main goals of employee participation.

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