

# Co-Determination and Forward Looking Corporate Governance

Sigurt Vitols, Ph.D.

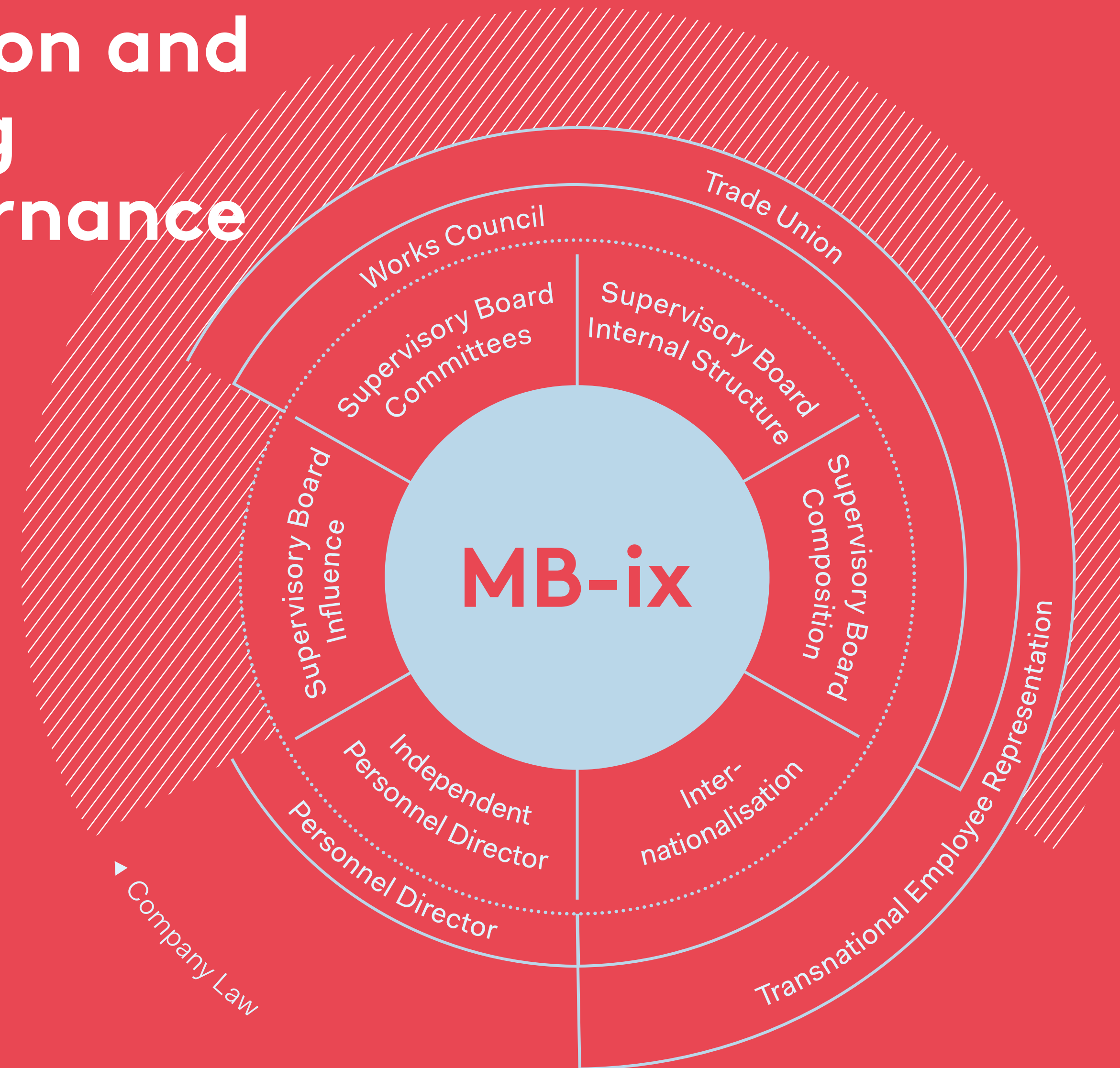
Berlin Social Science Center

What Does Co-Determination Do?

2ND Biennial WZB-HBS

Conference

11 June 2018, Berlin



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

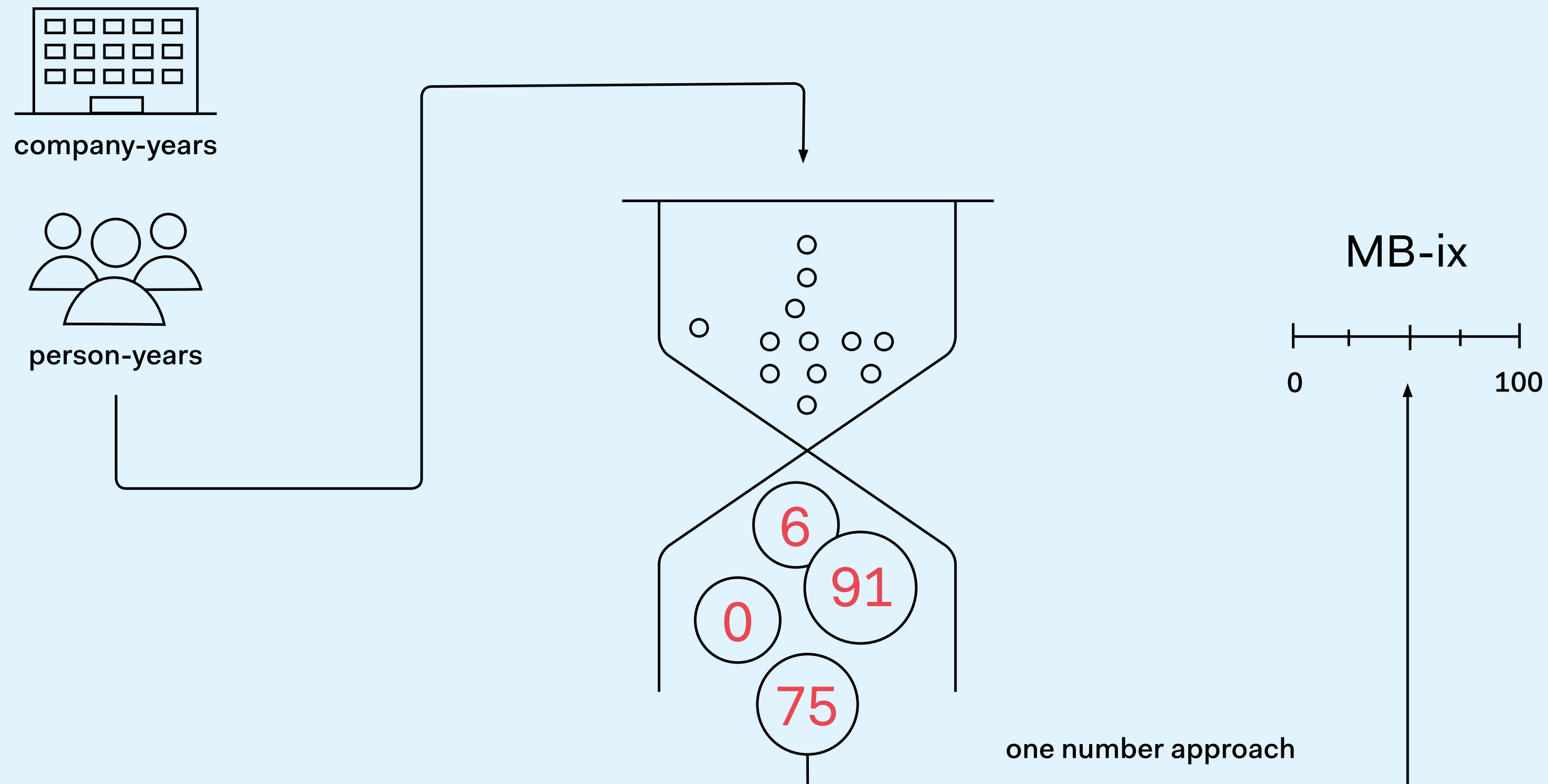
# The MB-ix Project in Brief

- 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)

# 01 Methodology

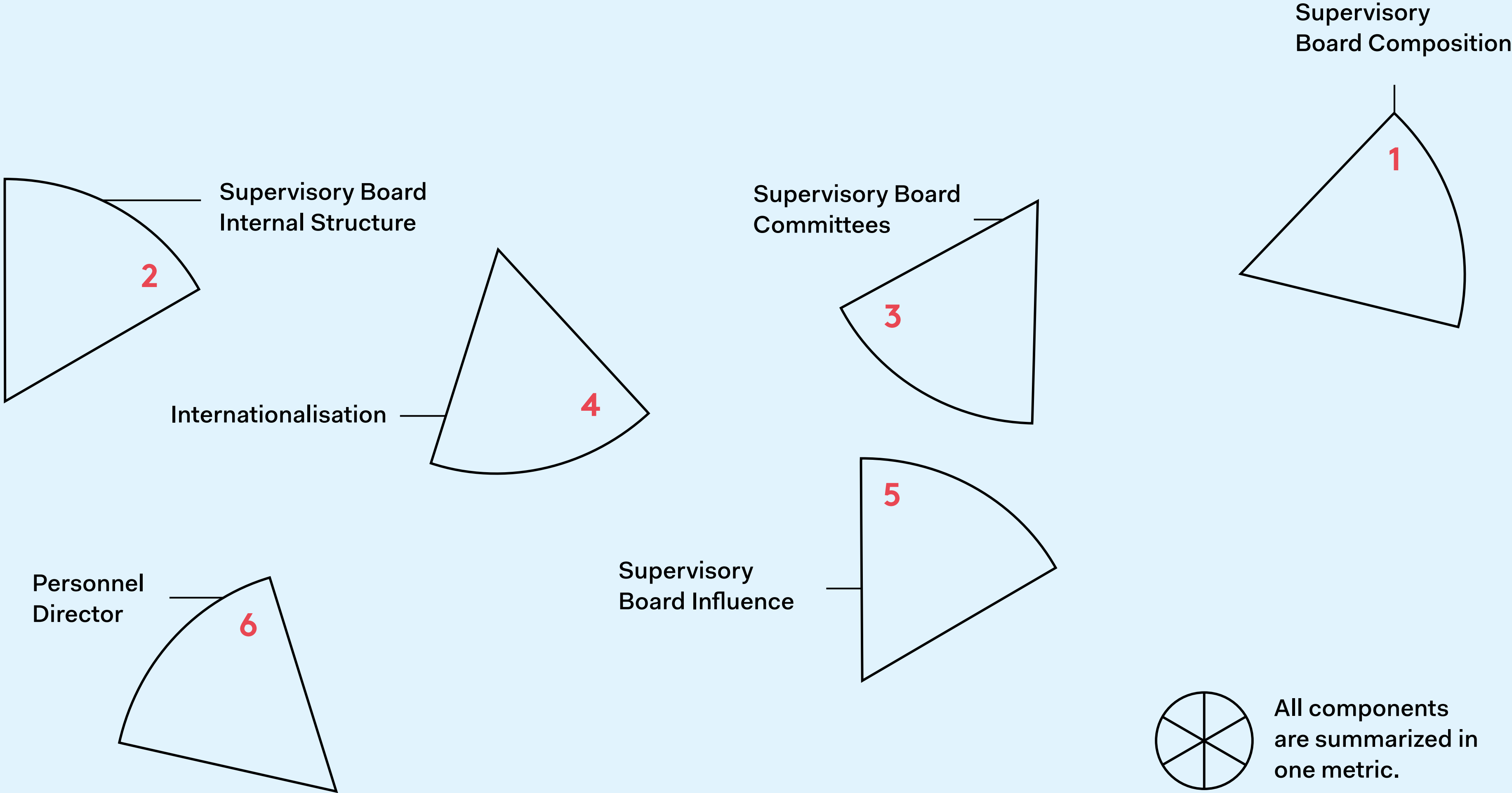
# 01 Methodology

## co-determination index



# 01 Methodology

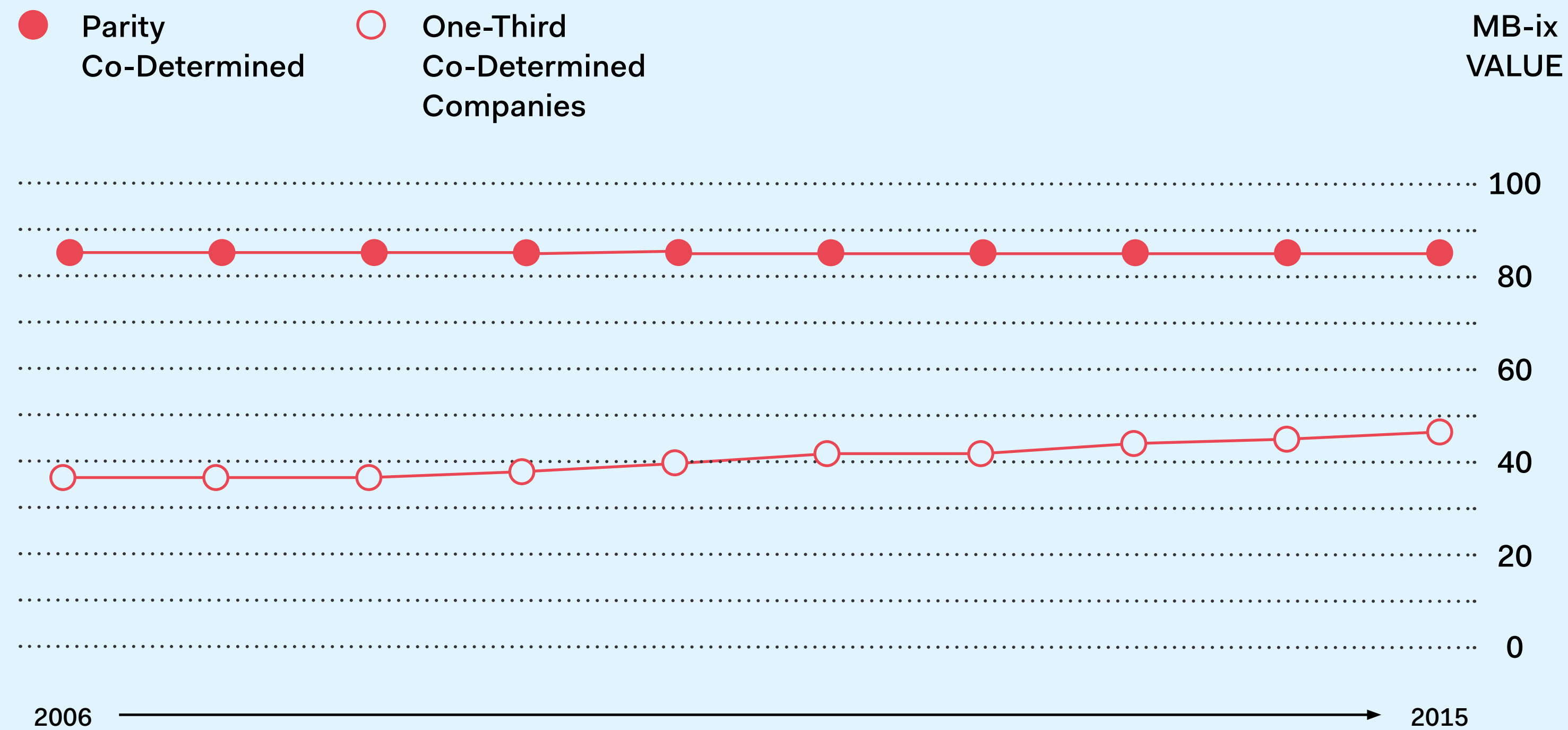
## The Six Components



# 02 Results

## 02 Results

# Co-Determination Defies the Financial Crisis

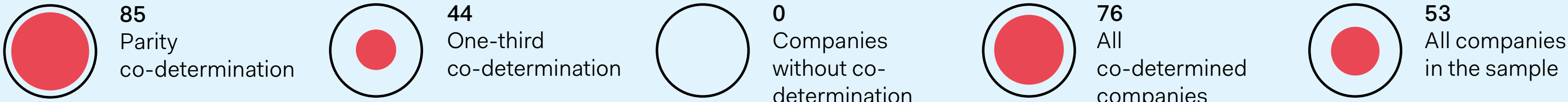




# 02 Results

## A Comparison of MB-ix Average Scores

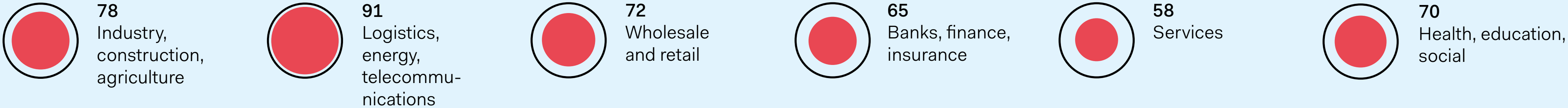
BY TYPE  
OF CO-  
DETERMINATION



BY  
STOCK MARKET  
INDEX

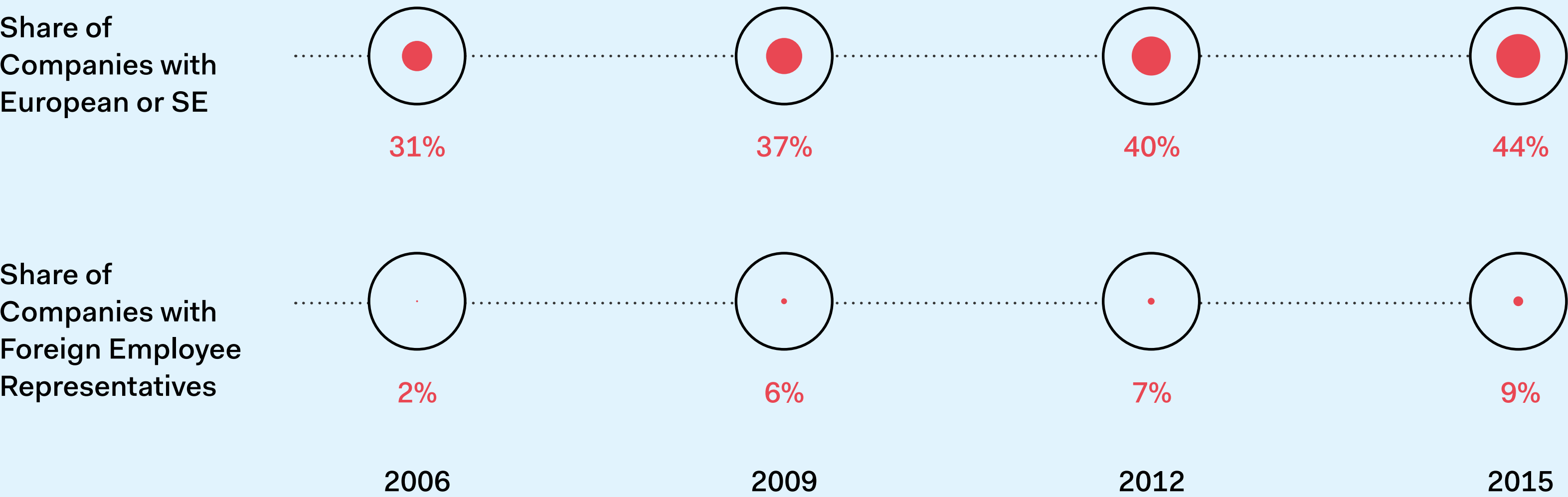


BY  
SECTOR  
Only co-determined companies



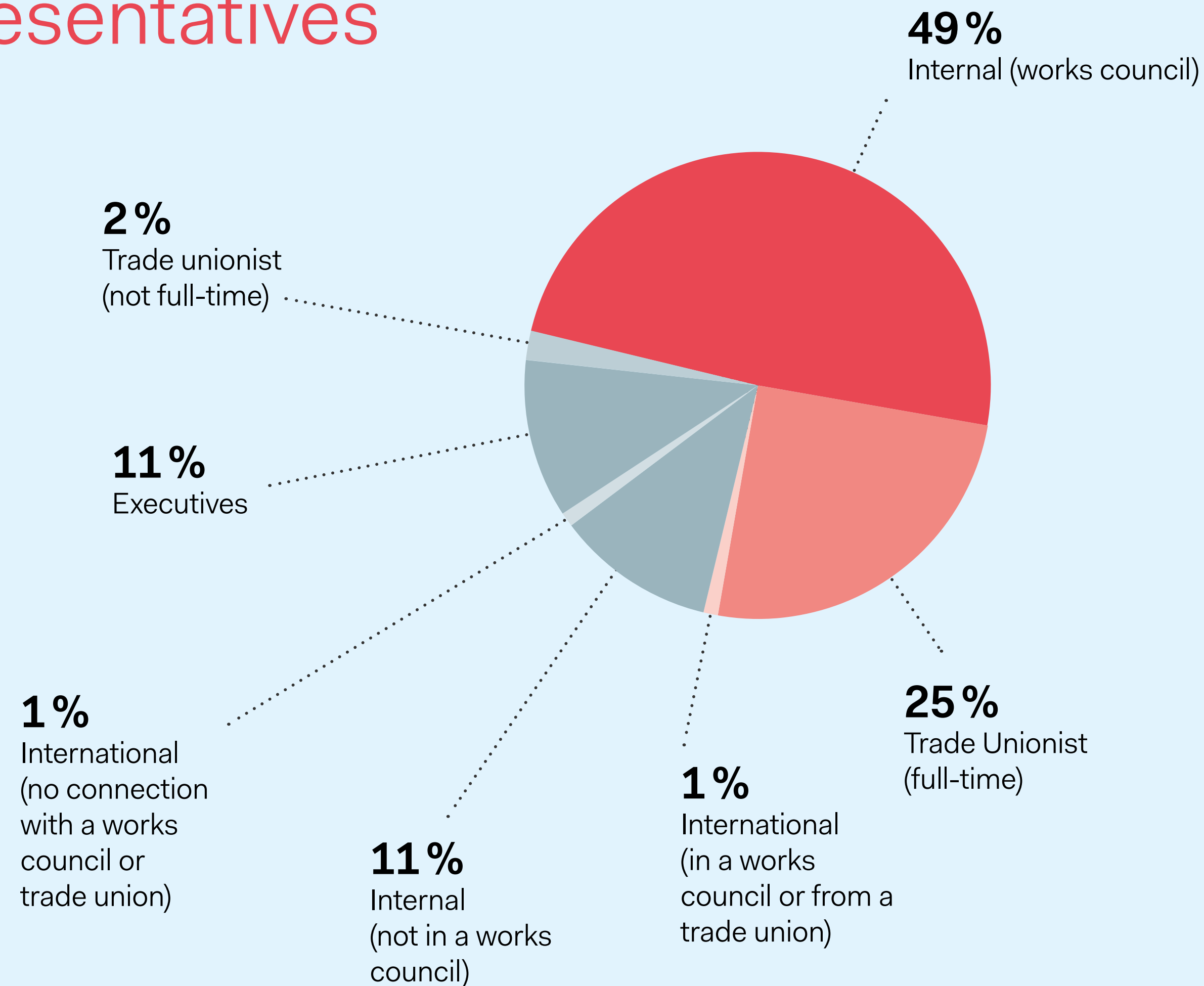
# 02 Results

## Employee Representation Becomes International



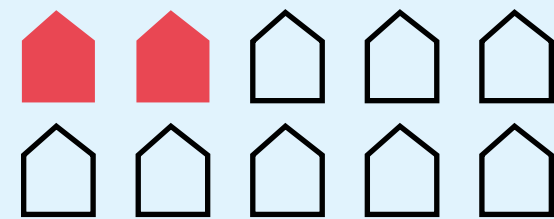
# 02 Results

## Employee Representatives

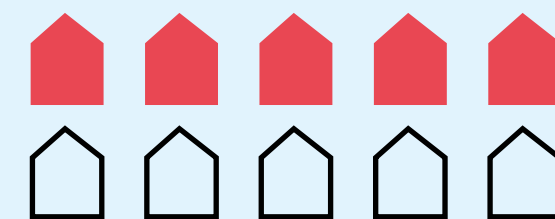


## 02 Results

# Co-Determination Promotes Independent Personnel Policy and Good Work



Companies without  
co-determination



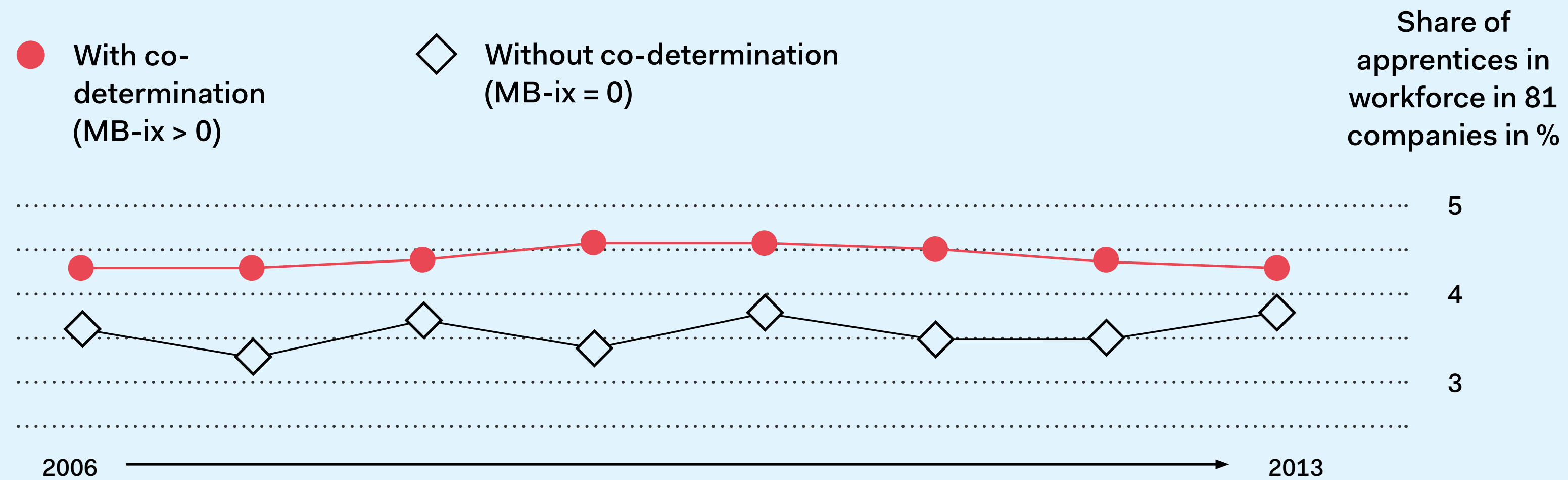
Parity co-determined  
companies



Companies with  
independent (from  
CEO and CFO) personnel  
directors in the  
Board of Executives

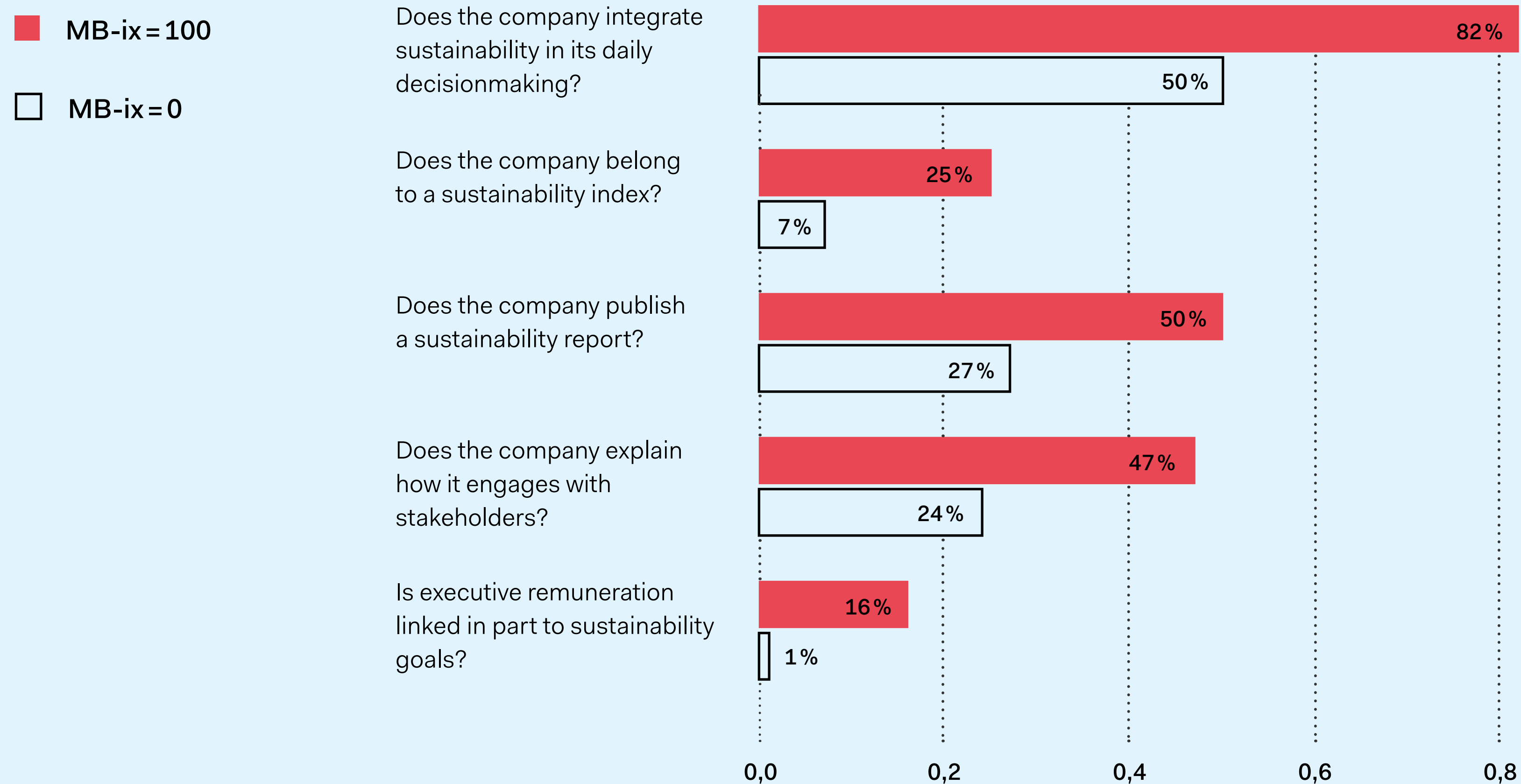
# 02 Results

## Vocational Education



## 02 Results

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



# 02 Results

## Co-Determination a Brake to Innovation? Not a Trace!

**1.000**

global companies with the highest  
R&D expenditures

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**42**

are based in Germany

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**40**

are co-determined, of these 36 parity  
and 4 one-third co-determined

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For comparison:

All co-determined companies  
listed in DAX, MDAX, SDAX  
and TecDAX have an average  
score of 76 points.

**84**

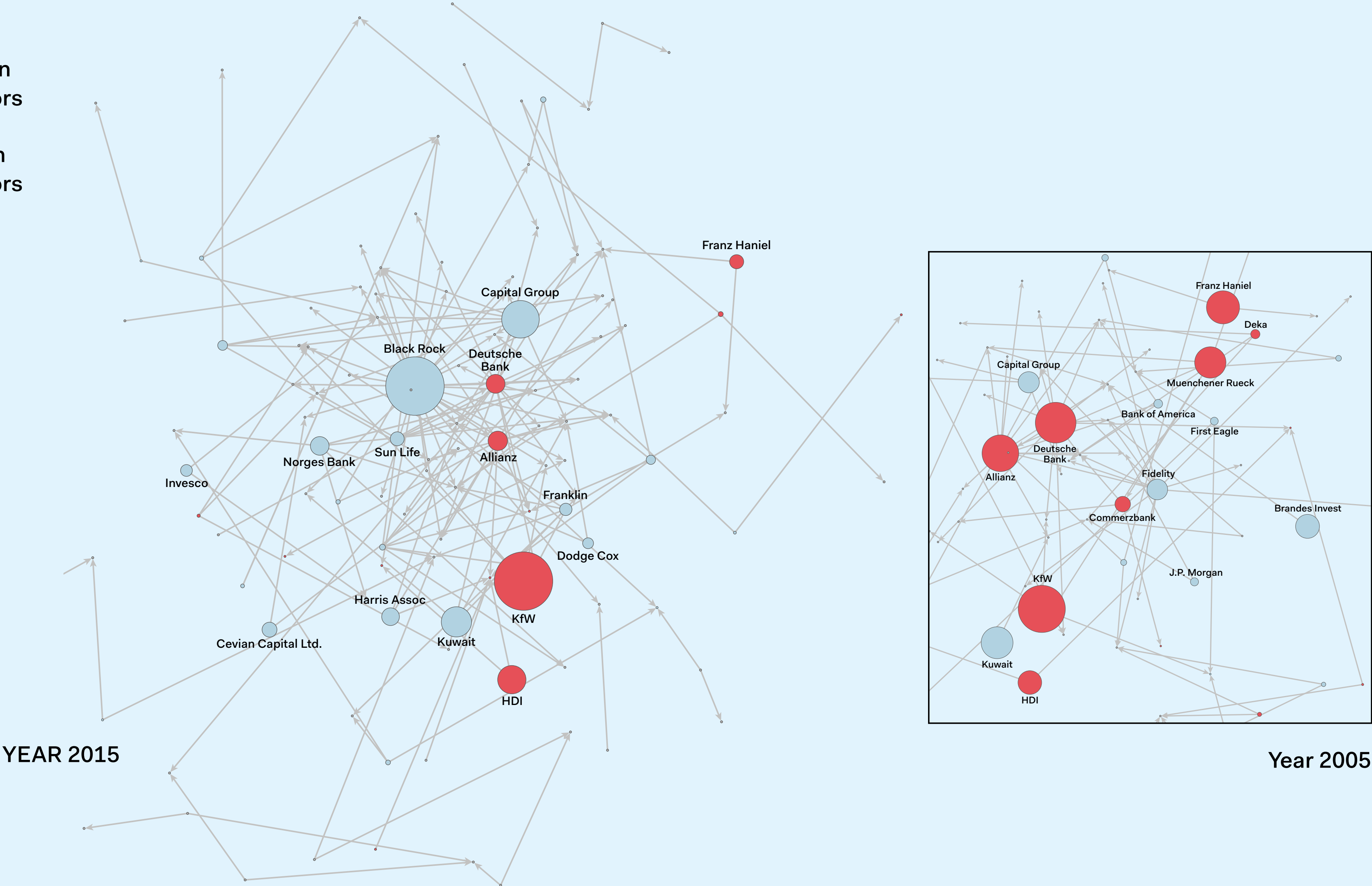
MB-ix points achieve  
these companies



# 02 Results

## Co-Determination is More Necessary Than Ever!

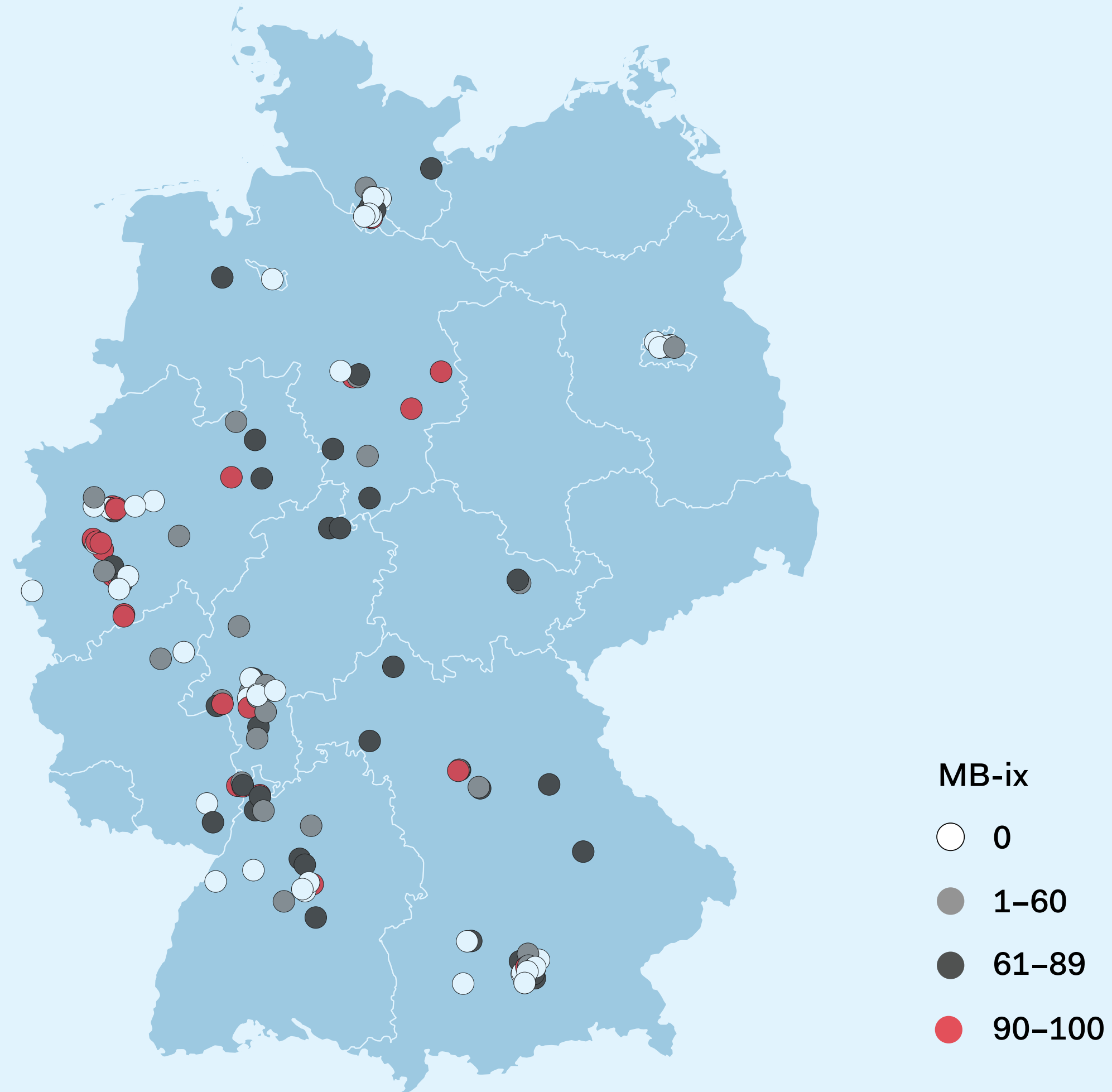
- German Investors
- Foreign Investors





## 02 Results

### Co-Determination is Spatially Unevenly Distributed in Germany



# Thank you!

To find out more, go to  
[www.mitbestimmung.de/mbix](http://www.mitbestimmung.de/mbix)

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Responsible for the content:  
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**WZB**  
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