

# Employee representatives on company boards in Sweden

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*Data from a survey indicate that a large majority of managing directors in Sweden have a positive experience of employee representation on company boards, and regard it as a resource for the company. The survey also shows that employee representatives are well integrated in local union activities.*

In 1973, the Swedish parliament adopted the Board Representation Act that gave private sector employees the right to be represented on company boards.<sup>1</sup> The main purpose of this legal reform was to confer upon employees, via their union organisations, the right to participate in the work of the company board—'to provide the employees with insight into company policy and to have a greater influence on the activities of the company.' Knowledge about how board participation functions in practice and its implications for the companies and their employees has been defective, however.<sup>2</sup> From this background, the National Institute for Working Life (ALI) initiated a survey study. In the late autumn of 1998 ALI, in collaboration with Statistics, Sweden (SCB), sent questionnaires to representatives of workers belonging to the Swedish Confederation of Trade Unions (LO), to salaried employees belonging to PTK (the Federation of Salaried Employees in Industry and Services) and to company chairpersons of the board and managing directors. The response rate for the 660 Swedish companies in trade and industry was 65 per cent for LO members, 69 per cent for PTK members, 65 per cent for managing directors and 51 per cent for chairpersons of the board.<sup>3</sup>

The survey questions were specifically designed to shed light on two aspects that

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<sup>1</sup> After a three-year test period, the law was made permanent in 1976. The law gives employees the right to choose two members and two substitutes to the board of companies with at least 25 employees. In 1987 this right was extended in 1987 to three members in companies consisting of at least 1000 employees (SFS 1987:1245).

<sup>2</sup> Other than a study by the National Swedish Industrial Board (SIND 1975:4) and a special study of small companies, no extensive evaluation of the board representation has been conducted.

<sup>3</sup> SCB was responsible for selecting the sample of participants, mailing the questionnaire material, collection of the material and coding. The sampling criterion, based on the Central Company Registry (CFR) for 1998, was that a company had to have at least 25 employees and a policy of board representation for the workers. Totally, 660 companies were selected and classified into three categories: 235 companies with 25–99 employees, 235 companies with 100–499 employees and 190 companies with more than 500 employees.

are central in scientific debate regarding workers' influence in decision-making and labour-management relations. The first aspect concerns whether employee participation in management constitutes a resource or a burden on the company. One extreme version is that co-determination is an encumbrance because it requires considerable time and resources involving a wider circle of persons that have to be informed and actively engaged in the decision-making process. The other extreme is that co-determination is beneficial because it strengthens decision quality and the ideas of community and trust. The theoretical basis of this view rests in co-operative game theory (Aoki, 1984), a theory that asserts that those individuals affected by co-determination can reach effective joint solutions to problems ('plus-sum-game'). Consequently, there are divergent conceptions in theoretical research concerning the effects of joint participation on the decision-making and operations of a company. In the final analysis, which effects predominate is ultimately an empirical question (Levine and Tyson, 1990). Results from research support the assumption that codetermination is of benefit for the company (Levinson, 1997; Heller, 1998).

The other aspect concerns employee representatives' position on the board (i.e. their relation to other board members) and the relation they have to the local union organisations. Workforce representatives' position in the company board is based on the degree of integration that representatives are able to attain in their dealing with the board (Dahlström, 1983). A high degree of integration implies that representatives interact with other board members on the basis of commonly held goals and values and that representatives take an active part in management activities with respect to the initiation and formulation of problems. A low level of integration suggests that representatives are largely excluded from these essential spheres of management activity. The dimension of integration is also used to illustrate how the worker board members represent the union. This refers to the debate about the risks of worker board members alienating themselves from their constituency.

This article is organised with reference to these two main aspects of labour-management relations. First, employee representation as a resource or a burden and the position that employee representatives hold on the board. This discussion is followed by a brief description of the union ties to the employee representation. After these main aspects, some of the changes that are considered necessary according to managing directors, chairpersons and employee representatives are highlighted.

### Employees on the company board—a burden or a resource

The majority of managing directors and chairpersons in Swedish companies view employee participation in company boards as a valuable resource. Thus, a generally positive attitude emerges from the analysis of the managing directors' responses to the questionnaire items pertaining to co-determination. More than 60 per cent of the directors and 70 per cent of the chairpersons answered 'very positive' or 'rather positive' to the question 'What are your experiences of employee board representation and its advantages or disadvantages for the company?' (Table 1). Statistical analysis of the

Table 1: Managing directors' (n = 411) and chairpersons' (n = 326) experiences of employee board representation (percentages)

	Managing directors	Chairpersons
Very positive	19	23
Rather positive	42	46
Neither positive nor negative	30	26
Rather negative	8	5
Very negative	1	—
Total	100	100

directors' responses revealed that the proportion of company leaders with a positive opinion increased with the size of the company. The largest percentage of managers expressing positive experiences is found in companies with more than 500 employees. It should also be mentioned that managing directors in the age group 46–55 are the most positive.

A good quarter reported that employee board representation is 'as much positive as negative' for the company. Less than ten percent of the managing directors had negative experiences. Not a single company chairman thinks that this form of employee participation is 'very negative' to the company. Only 5 of 411 managing directors thought that employee representation is very negative.

In this section, some of the positive aspects of employee board representation are specified. Nearly two thirds of company leaders believe that board representation contributes to a healthy climate of co-operation (Table 2). Overall a good climate of co-operation exists in the boards of Swedish companies. This is evident from the responses to another question in the survey relating to co-operation between workforce representatives and other members of the board. It was found that in 80 per cent of the companies co-operation was 'good' or 'very good' between representatives of employees and other board members. Considering the size of the enterprise some differences are discerned; e.g. the number of chairpersons who have positive experiences is largest in small enterprises with less than 100 employees.

A good co-operative climate between the parties is by no means limited to the executive board but permeates the entire enterprise. Our study shows that *co-operation between company managers and trade unions is 'very good' or 'rather good' in nine of 10 companies in Sweden*. Four of 411 managing directors believe that collaboration between management and employee representatives is 'rather bad' while only one director sees it as 'very bad'.

According to the majority of chairpersons (65 per cent) and managing directors (59 per cent), another advantage of representation is that 'the board's decisions become deeper rooted among the employees' (Table 2). In about half of the corporations, executives reported that it is easier to make tough decisions knowing that employees are represented on the board.

The negative attributes of employee board representation are, for example, that it may 'take too long to get things done', 'it interferes with effective decision-making' and it is 'too costly'. The results from this investigation provide very little support for the fears that co-determination increases the risk for slowness and conflicts in managerial work. Two thirds of the directors and chairpersons do not believe that 'decision-making is heavily weighted down' by employee participation. Only a little more than 10 per cent of all Swedish managing directors believe that employee participation weighs down the decision process. Roughly the same picture emerges concerning the fear that employee participation leads to too many irrelevant issues on

Table 2: Managing directors ( $n = 411$ ) and chairpersons' ( $n = 326$ ) experiences of employee board representation (percentages)

	Managing director	Chairperson
They contribute to a positive co-operative climate	64	61
Board decisions are deeply rooted among the employees	59	65
It is easier to make tough decisions	47	55
Risk that information leakage increases	40	37
Too many irrelevant issues are brought up	17	17
Decision-making becomes a trying task	12	13
Risk of conflict among the board members	7	6

the agenda. About one sixth of the 411 directors investigated in this study believe that employee participation causes irrelevant issues to be placed on the agenda. The apprehension that employee participation results in increased risk of conflicts among the board members also finds no support from the data. However, of the negative areas covered in the questionnaire, the risk that information leakage will increase is the one that finds the greatest support (Table 2). Forty per cent of the directors say that such a risk exists. The present study is not designed to investigate whether this potential risk actually leads to leakage of information.

The positive view of company managers regarding employee board representation noted in this study is well in line with results from other studies (Gill *et al.*, 1993, Heller *et al.*, 1998), including a Swedish survey on *Co-determination in strategic management issues* (Levinson, 1996). That study found that a vast majority of managing directors considered co-determination beneficial for the company in that it enriched management work and facilitated strategic decision-making. Three quarters of Swedish managing directors answered that they have positive experiences of employee participation in company management; on the other hand, only 5 per cent reported negative experiences. The high proportion of corporate leaders with positive experiences of employee participation in company management work is found to be stable over time as well. The results from a nation-wide survey and interview study from 1984 showed that the proportion of corporate leaders having positive experiences was still high, if not higher. In the 1984 study, three quarters of the managing directors believed that union participation was not altogether too resource demanding or that it significantly obstructed the process of producing effective decisions.<sup>4</sup> For example, a good 80 per cent of the managing directors believed that participation was not an obstacle to efficacious decision-making. Scarcely one fourth of the directors responded that the decision-making process takes too long because of employee participation.

Similar positive views were also noted in an expert study conducted for the governmental labour legislation committee by the economist Sören Wibe (1994). He noted that a vast majority of company managers found that co-determination 'increased efficiency in several ways.' In the committee's final report, the results are summarised as follows: *The attitude towards the co-determination legislation is positive among company managers as well as among trade union representatives.*

### **Employee representatives' position on the board**

A basic idea of the Board Representation Act is that employee representatives should have the same assignments, duties, rights and responsibilities as other members of the board.<sup>5</sup> There are some exceptions, though, concerning secrecy and economic responsibility. The present study reveals that a majority (two thirds) of the directors and chairpersons believe that employee representatives have the same judicial responsibilities as other board members.

When it comes to the position that representatives actually have on the board, there is an extreme standpoint that they are fully integrated, i.e. they participate in the whole process from initiating over the preparation of new issues to the formal decision-making phase. The other extreme is that they are only weakly integrated; i.e. they do not participate in the initiation and sustained investigation of board issues. The results of the present study indicate that employee board representatives very seldom or never participate during the initiation phase of board issues. Thus, it is not a full-blown integration in this early phase of the decision process. The main

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<sup>4</sup> Results from the 1984 survey study are described in Levinson, K (1991) *Co-determination in Strategic Decision Processes*.

<sup>5</sup> On average, there are seven permanent members of the board. Three fourths of all boards have between five and nine members. A large majority of the company boards (about two thirds) has two employee representatives (plus two deputy members). One sixth has three representatives and one tenth has one representative.

Table 3: How board agenda items are prepared, according to blue collar, LO, (n=405) and white collar, PTK (n=433) representatives (percentages)

	LO	PTK
By the chairperson or managing director	74	73
In a working party of the board <b>without</b> employee participation	19	17
In a working party of the board <b>with</b> employee representation	4	5
In another manner	3	5
Total	100	100

actors are the managing director and the chairperson of the board. In almost three fourths of the companies, the managing directors and chairpersons prepare the various matters that appear on the board (Table 3). In almost 20 per cent of the companies, a working committee makes the preparations without the attendance of employee representatives. Thus, it is obvious that the privilege to formulate the problems and determine the board agenda, very much lies with the managing directors or the owner representatives. This finding is clearly in accord with those of other co-determination studies. The 1984 study shows that employee representatives almost never take the first initiative in decision-making matters related to strategic changes, such as relocation, production cutbacks and introduction of new production techniques. A revealing finding from the 1996 co-determination study is that employee representatives take part in the first initiating phase of the decision-making process in only 17 per cent of the investigated companies.

What role do the workforce representatives play in the board? The evidence suggests that representatives act somewhat cautiously and are generally passive during board meetings (Table 4). This circumspect behaviour, however, does not apply to personnel questions, reorganisation, and production and work environment matters. In a little over half of the companies the activity of representatives in the company board is described as 'low' and 'very low.' In half of this group (i.e. in about 25 per cent of the companies), the activity is 'very low.' It is unusual that the representatives show a 'high activity' in the company board (about one tenth), and 'very high activity' is almost non-existent.

This low profile of employee board representatives is well in line with the result from a four-point scale of activity. In half of the companies, the representatives 'support the board suggestions **without** thorough discussion.' In 40 per cent, they 'consider the suggestions **after** thorough discussion.' In only three per cent of the companies do employee board representatives 'demand which issues should be investigated and proposed.' In only six of 411 companies do representatives submit their own recommendations or suggestions.

Table 4: Employee representatives' activity on the boards, according to managing directors (n = 412) and chairpersons (n = 326) (percentages)

	Managing director	Chairperson
Very low activity	25	20
Low activity	33	26
Neither low nor high activity	33	40
High activity	9	13
Very high activity	0	1
Total	100	100

As already noted, this picture of a rather passive employee board representative does not hold for questions concerning personnel matters, production and work environment matters and reorganisation. On personnel matters, there is high or very high activity in half of the companies. A high activity profile is also often (in 45 per cent of the companies) visible in production and work environment matters. Major reorganisation is another area where there is high activity (one third of the companies).

The view of cautious employee behaviour in most board matters is in accord with the results from other studies (Heller *et al.*, 1998; Levinson, 1997). The questionnaire from the 1996 survey shows that in about 60 per cent of the companies employee representatives' degree of activity is extremely low or that the representatives 'demand more information' before taking any action. In about 25 per cent of the companies, the employee representatives made certain demands in order to accept the decision. The highest grade of activity, which means that employee representatives suggest the solution, took place in only six per cent of the companies. The 1996 study was also able to reveal that employees are most active in personnel matters and issues related to production and work environment.

One explanation for the cautious behaviour is that the employee board representatives choose to concentrate their actions on matters that directly affect personnel, production and work environmental matters. Another account is that representatives might find it less meaningful to act in a forceful way since they understand that managing directors and company owners hold the privilege of formulating the problems and making decisions. In addition, more than every fourth representative also thinks it is a problem that 'the decisions are not made by the board but elsewhere' (Table 5).

'Not enough time to prepare' is a common difficulty for employee board representatives. 'Time restrictions during the meetings' is another difficulty that about every sixth representative has experienced. 16 per cent of the LO and eight per cent of the PTK representatives believe that 'many questions are too complicated and hard to easily comprehend.' One fifth of the employee representatives do not receive written material in time before board meetings.

How do employee board members judge their chances to influence matters on the board? Over three per cent think that they have 'good chances in all questions'. One third of the LO and 29 per cent of the PTK representatives believe that they have 'large possibilities to influence board work in certain questions'. 57 per cent of the LO and 59 per cent of the PTK representatives assume that they have only a negligible possibility to influence board work. Statistical analyses indicate that their understanding of the prospect of influencing the board increases if they have taken part in an educational programme for board representatives. Such a programme is run by the central union federations in Sweden.

Table 5: Difficulties of the board work according to LO (n=405) and PTK (n=433) representatives (more than one alternative can be chosen) (percentages)

	LO	PTK
The decisions are not made by the board but elsewhere	31	28
Not enough time for preparation	29	23
Time restrictions during the meetings	18	15
Many questions are too complicated and hard to understand	16	8
Language problems when languages other than Swedish are used	13	6
I have not received information demanded by union members	9	4

## The trade union connection

The local trade unions have a strategic position in various matters of co-determination in Swedish working life. For instance, they decide whether to establish representation and have the power to elect board representatives.<sup>6</sup> This is sometimes referred to as 'the trade union connection.' Based on present findings, the most common model of election of representatives (one third of the representatives are elected in this way) is that the representative is chosen at workshop union meetings. In one fifth of the companies, the board of the workshop union appoint the worker member of the company board. In 13 per cent of the companies a reference group, a combined group of company councils, a contact group or a separate committee elects the representatives. Election is through member voting in 15 per cent of the companies.

Another way of understanding the scope of the trade union connection is by measuring the representative's contacts with the union before and after board meetings. Half of the LO representatives have contacts with their own workshop union before the board meetings. One third has contacts with a union reference group. Two thirds of the representatives have contacts either with the workshop club board or with a union reference group. After the board meetings, all decisions are usually reported to the workshop club board or to a union reference group. One third of the LO representatives and one fifth of the PTK representatives report to a special meeting held for union members. A small percentage of representatives (less than 10 per cent) did not report after the board meetings.

An important link between union representatives and the unions is that the representatives are often (60 per cent for LO and 50 per cent for PTK) the chairperson of the workshop club or the section. One fifth is made up of the remaining members of the workshop club board. More than 33 per cent of the LO representatives and 10 per cent of the PTK representatives have other trade union responsibilities outside the company.

Another facet of the trade union connection concerns the contacts between representatives of blue- and white-collar workers. In one third of the companies, the representatives have regular contacts and in half of the companies the contacts are taken when needed. 'Contacts occur seldom or never' in six per cent of the companies. There is also an indirect connection in terms of the goals and strategies of trade unions. In half of the companies (one third in the case of PTK), there are trade union goals or strategies that support the standpoint of employee representatives on the board.

There are no explicit rules on professional secrecy for employee representatives in the Board Representation Act. In the Swedish Company Act a 'care obligation' clause asserts that anyone who intentionally or through carelessness causes harm or is a disservice to the company might be liable for damages. It is important to the representative to be able to discuss issues treated on the company board with other trade union representatives. This means that certain tensions might arise concerning matters of secrecy within the company board. In 70 per cent of the companies, professional secrecy has been suggested several times during the past two years. In 30 per cent of the companies, it has been suggested at least five times. When professional secrecy has been proposed, it is almost always accepted by employee representatives. Of the employee representatives, seven per cent express reservations about supporting professional secrecy. It is common (more than one third) that the managing director or the chairperson of the board proposes professional secrecy outside the board meeting. Even if only 11 per cent of the representatives claim that professional secrecy causes severe problems in the internal co-operation of unions, it is not unproblematic. Professional secrecy clauses can be used in such a way

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<sup>6</sup> The local union also has the right of information and negotiation according to the Act on Co-determination at Work (Medbestämmandelagen, MBL).

that they unnecessarily limit an open discussion between the local union representative and the members he serves.

One question in this study focuses on the usefulness of board representation for union activity (Table 6). Two thirds of LO representatives and a somewhat lesser percentage of PTK representatives conclude that work on the board has been of 'great use' or of 'rather good use' for the remaining union activities. In only a relatively low number of cases (six per cent for LO and 11 per cent for PTK) had board work been interpreted to be 'of very little use.'

The survey also included a question about 'how the benefits of board representation have developed during the 1990s.' About 20 per cent reported a 'large benefit today,' 30 per cent reported 'a large benefit that has gone unchanged,' six per cent reported a 'lesser benefit today' and nine per cent reported 'a lesser benefit that has gone unchanged.' About one third of the respondents reported that they did not know or that it was difficult to determine whether board representation was an advantage or not.

An open-ended question item helps point out some areas in which board representation has proven beneficial for other union work.

- 'We learn about future anticipations and prospective hot-spots (e.g., intrigue or instability) at board meetings rather than at local MBL negotiations'
- 'An increased understanding of entrepreneurship'
- 'At internal union discussions we can readily understand how the company will react to our proposals'
- 'If we have union problems with management we can take up these issues at the board'
- 'Really impotent or ineffectual proposals are never taken up since the company does not want anything to be accepted with inner reservations'.

The first paragraph of the Board Representation Act states that the purpose is 'to bring the employees insight in and influence on company activities to the board'. Even if the degree of influence is limited in general, the law has increased the opportunities to relate one's own opinions.<sup>7</sup> In the National Swedish Industrial Board's evaluation of the trial period with board representation from the mid 1970s it was stated that 'even if the reform has not yet contributed markedly to increased employee influence, it has definitely improved the possibilities and, above all, has contributed significantly to improve contacts between the company managers and the employees (the local trade unions).'

The results from this study are well in line with other scientific studies. Labour law professor Sten Edlund concluded in one of his many studies that the labour laws from the 1970s on the whole have meant a strengthening of employee rights and union organisations.

Table 6: *The usefulness of board representation for union work by LO (n = 400) and PTK (n = 428) representatives (percentages)*

	LO	PTK
Great use	21	19
Rather good use	44	39
Rather little use	20	19
Very little use	6	11
I do not know, cannot judge	9	12
Total	100	100

<sup>7</sup> Hours of work, rotation of personnel and work organisation changes are areas where representative influence is substantial. In other management areas, the influence can be characterised as 'advising' (Levinson, 1997).

*It should be observed under no misgivings that the new labour laws have, on the whole, meant an appreciable strengthening of the employees' and the union organisations' position, even though the intention was not to change the basic prevailing balance of power (Edlund and Nyström 1995, p. 164).*

### Need for education and change

Some of the survey questions pertain to corporate leaders' prospects for the education of representatives and the need to modify some of the features of the Board of Representation Act. Regarding the rule on the number of representatives, there is the view that 'things are good as they are.' Consequently, a large majority of managing directors (80 per cent) do not consider it imperative to cut down on employee board representation (Table 7). In large companies (>500 employees) the share of the directors that consider it imperative to cut down workforce representation is larger than in small companies. The following statement from a director gives a realistic picture of the majority of the managing directors' position: 'The present regulations are working excellently. As long as employees' representatives show a commitment and interest there is no reason to modify the law.' A motive that recurs frequently among many of this rather small group of leaders, which see it desirous to reduce representation, is that the 'representatives bring nothing to the board.'

The employee representatives seem to agree with managers that there is no reason to change the law in respect to number of workers on the board. The statement 'Things are good as they are' finds support among a large number of representatives. 67 per cent for LO and 79 per cent for PTK find it 'not imperative' to increase employee representation on the company board.'

The Board Representation Act is supported by an educational system specifically designed for employee representatives. The educational programme is administered by special educational units within LO and PTK. 60 per cent of LO members and 44 per cent of PTK members have taken courses from these educational units. The average LO representative has received 21 days of education. Seventy percent of the LO members maintain that they have had very good or rather good use of these centrally arranged courses. Statistical analyses indicate a highly reliable relation between this form of education and the activities of representatives on the board. Those who have taken the courses are, on average, more active than those who have not taken the courses, particularly on issues connected with personnel matters, production and work environment.

An important result from the questionnaire is that the courses organised by unions need to be supplemented with additional material. Two thirds of LO representatives prefer further education in business economics. Half of the LO representatives feel the need to learn more about 'future issues,' such as company development. A need for language training is indicated in one fourth of the companies. Managers have also expressed the need for special education, where almost two thirds of the managing directors believe that there is a special educational need among employee representatives. Of highest priority, is the need to attain better skills in business

*Table 7: Managing directors' (n = 405) and chairpersons' (326) views on the imperative to cut down on employee representation in the board (percentages)*

	Managing director	Chairperson
Very imperative	7	7
Rather imperative	13	14
Not at all imperative	80	79
Total	100	100

economics. A secondary need is in areas related to the growth and development of companies.

When asked the question 'what further support do the employee representatives need,' two thirds of the LO members answered that shorter meetings and conferences were needed. About half of the representatives would prefer different forms of counselling. One third find it necessary to include regional networks in order to facilitate the exchange of information and earlier experiences. A majority of the representatives consider it 'very' or 'rather' urgent to get more expert help. A little less than half of the representatives consider it important to call in other union representatives or experts.

### Concluding comments

The picture that emerges from the study shows that on the whole the system with employee representatives on the company boards of Swedish enterprises functions relatively well. The participants' responses to the survey show that the majority of chairpersons of the board and managing directors with over 25 employees in Swedish trade and industry have positive experiences of employee representation on company boards.<sup>8</sup> Employee representation is thought to (a) contribute to a positive co-operative climate, (b) provide a mainstay in the decision-making process and (c) facilitate the task of carrying out difficult decisions. Their outlook is that workforce representation on the company board is generally well functioning.<sup>9</sup> Many of the fears of an increase in bureaucratisation and information leakage that were heatedly debated during the period when the law was first enacted have been shown to be overly exaggerated. The fact that participation in company boards generally works well is in accordance with the way co-determination works in most Swedish companies.<sup>10</sup>

The present findings of the study suggest that employee representatives play a rather peripheral role in board activities, particularly when it comes to bringing up problems for discussion and initiating solutions. The owner representatives and managing directors occupy the position of formulating and dealing with the important issues. However, the fact employee representatives act rather cautiously when various matters are prepared or processed, does not necessarily denote that they completely lack the ability to influence board decisions. The general picture of a rather cautious attitude does not apply to such areas as personnel issues and competence development, production and work environmental questions and significant company reorganisation. Within these areas, which are important for the working situation and for job security, employee representatives are highly enterprising and act as an instigating force in bringing about change. Their energetic actions within these spheres of company policy suggest anything but a role of hostage to the whims of others.

The present investigation supports the idea that representatives are highly integrated in local union organisations. The investigation further shows that there is a strong link between representatives and the local union organisations. In fact, eight out of 10 representatives are members of the workshop union board (often as chairperson). Contacts between representatives and the union organisation are generally taken before board meetings and a report to the board of the union or the union reference group almost always occurs after each board meeting.

This study, like others on co-determination in company management in

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<sup>8</sup> Eleven percent of LO representatives on the board are women (20 per cent for PTK). These figures may be compared with the six per cent female representation among the board directors that are elected by the owners. The mean age is 47 years (49 for PTK). More than 40 per cent of all the representatives are between 45 and 54 years of age. Every fifth representative is over 55 years. The LO members are board representatives for an average of six years (slightly shorter for PTK members).

<sup>9</sup> In the surveys there is a risk, however, that some aspects are exaggerated.

<sup>10</sup> See Edlund & Nyström 1995 and Levinson 1997.

Sweden, shows that corporate leaders and employee representatives in most Swedish companies demonstrate a good ability to co-operate in order to faithfully administer and control the rights given in the Board Representation and Co-determination Act. They have what is sometimes referred to as participative skills; i.e. corporate leaders and workforce representatives are capable of co-operating in such a way that co-determination is a benefit for the company as well as for unions organising the employees of the company. The Swedish example supports those theories (e.g., co-operative game theory) emphasising that employee participation can contribute such values as trust and joint solutions to management problems, and that those connected to this collaborative effort end up in the winner's circle ('plus-sum-game').

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