

National Report Germany

Topic:

Participation of employees in decision-making in times of crisis as
the key to effective work organization in the company

Dresden, December 7th, 2021

Anne Hergert

Projektleiterin

Bildungswerk der Sächsischen Wirtschaft gGmbH

E-Mail: Anne.Hergert@bsw-mail.de

Tel. + 49 351 4250216



Table of contents

.....	0
1. Introduction	2
2. Country-specific context	3
3. Results of the surveys.....	4
4. Results of the interviews	7
5. Conclusions and Recommendations	10
6. Sources.....	11

1. Introduction

The corona pandemic has been making our lives difficult for more than a year and a half. The effects on companies and the world of work are very noticeable. It is a crisis of the century that threatens the existence of companies and countless jobs. State bridging aid and short-time working regulations have so far secured the existence of many companies and millions of jobs.

In times of crisis, the elementary importance of the employees becomes apparent, who without exception make their individual contribution to overcoming the crisis and maintaining operations. The topic of co-determination of employees in companies in the trade and service industries continues to be of great importance. In view of the ongoing corona pandemic, this topic is extremely topical.

Codetermination is laid down and regulated in the Works Constitution and Codetermination Act. The charter of the European Union also includes the right to be heard and to have a say in all EU workers. To what extent was co-determination secured and maintained in the corona pandemic? It is of particular interest to what extent, in what form and on what questions the interest groups were involved in the development of measures to cope with the corona situation.

The present report is a contribution to the project “Employee participation in decision-making in times of crisis as the key to effective work organization in the company”. The aim of the report is to present the research activities of the analysis phase for Germany, to present the results of the surveys and interviews and finally to formulate conclusions. In addition, recommendations are made with suggestions for improvement that could work for German companies in both sectors in the event of a further hypothetical crisis.

2. Country-specific context

In Germany, employees have a right to co-determination. Your vote is important for the creation of a fair working environment by the works council as well as in corporate management by the supervisory board. According to the German Works Constitution Act, which was fundamentally revised in 2001, in companies with more than 500 employees, a third of the control committee should consist of employee representatives. In companies with more than 2000 employees, employees even have half of the seats on the supervisory board, this is called equal participation.

The pandemic is proving to be an enormous stress test for employee participation. However, codetermination processes must also be guaranteed in crisis situations. Staff councils and works councils therefore made it their task to ensure the participation of employee representatives through the crisis.

According to the Hans Böckler Foundation (2021), the work of company interest groups in the company has an overall positive effect on coping with the Corona crisis. The foundation published various studies on this topic that show that employees whose interests are represented by a works council or staff council were far less concerned about their financial security than employees in companies without interest representation. The interest groups ensured that the negative consequences of the corona pandemic were cushioned, for example by increasing short-time working benefits (see Hans Böckler Foundation 2020; ver.di 2021).

In order to cope with the corona pandemic, some employers introduced further company regulations, whereby existing company agreements were adapted to protect the interests of the employees. The regulations relate to hygiene measures in order to maintain sales, working from home, offers for childcare when schools and daycare are closed, the design of short-time work, changes to the working time frame and working time accounts (Hans-Böckler-Stiftung 2010).

But how was the inclusion and protection of the interests of the employees in companies in the trade and service industry designed. Many German companies

have no interest representation, so that the co-determination of the employees is not guaranteed.

The employee surveys carried out as part of the project are then evaluated.

3. Results of the surveys

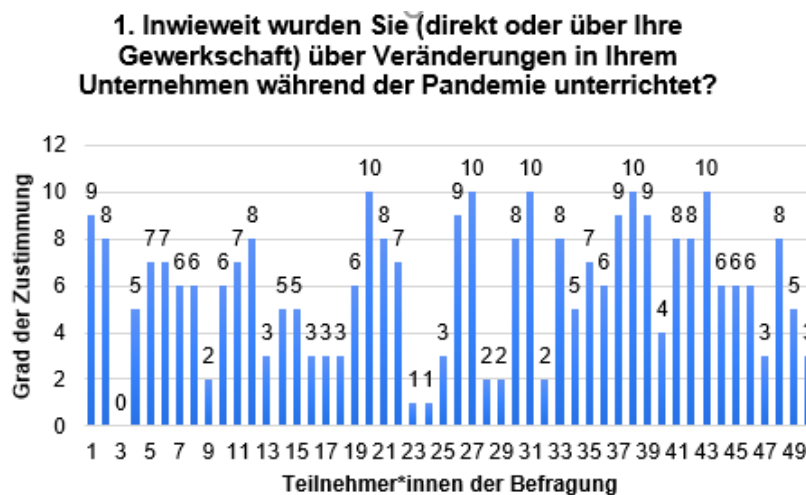
50 employees took part in the survey on the “Employee Involvement in Decision-Making” project. Of these, we had 23 female participants, 24 male participants, 2 diverse participants and 2 employees who did not want to reveal their gender.

There were 19 participants between the ages of 18 and 34, 21 participants between the ages of 35 and 54 and finally 10 participants between the ages of 55 and 70. The majority of those questioned were between 35 and 54 years old.

You will work in the following areas, among others: education, retail, gastronomy and hotel industry, hairdressing and cosmetics, car workshops, care, textile tailoring and clothing, supermarkets and kindergartens, etc.

In the following, a selection of the questions is listed and the answers of the participants are processed.

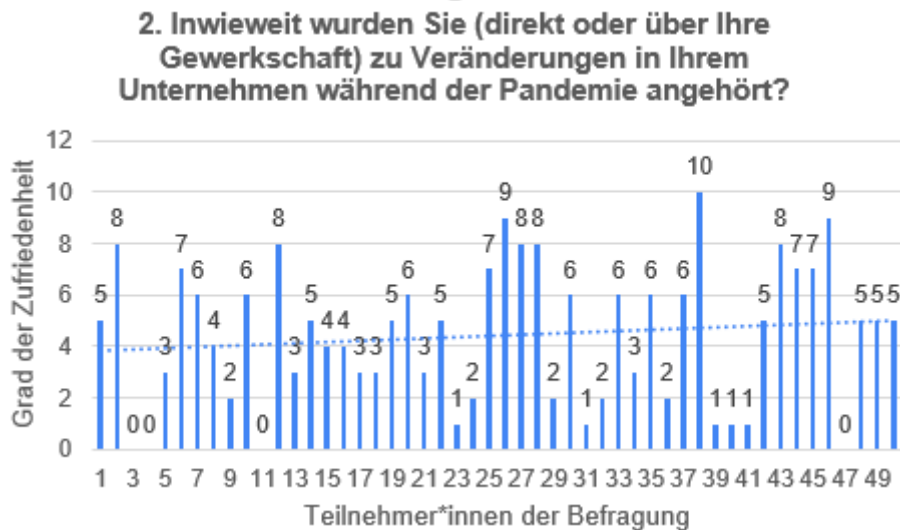
Figure 1: Informing workers of changes during the pandemic



The employees answered question 1 as follows: 14 of them rated 0-3, ie they were “not to hardly” informed about changes. 19 of them voted with the values 5-

7, that is, they were informed moderately and 17 of the respondents felt that the employer gave them good information (8-10).

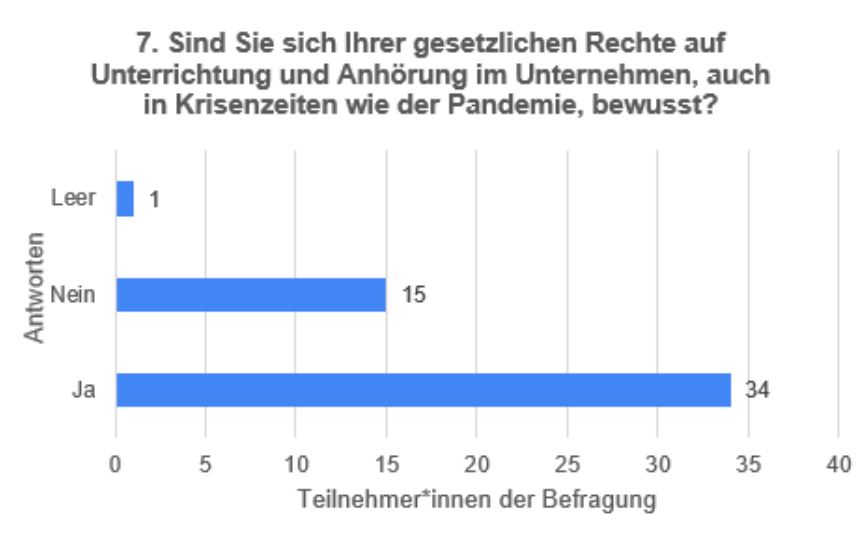
Figure 2: Consultation of workers about changes during the pandemic



The employees answered question 2 as follows: 20 of them rated 0-3, ie they were “not to hardly” asked about changes. 19 of them

voted with the values 5-7, ie they were heard moderately and 8 of the respondents felt they were well informed about the hearing (8-10 points) by the employer.

Figure 3: Employees' awareness of legal rights to information and consultation in the company



The employees answered question 7 as follows: 1 in 50 abstained as to whether he was aware of his rights to be heard and informed. 15 respondents answered the question with no and the majority, ie 34 participants, say that they are aware of their rights.

Figure 4: Inclusion of employees to participate in decision-making processes in the company

The employees answered as follows to question 9: 26 of them gave a 0-3 rating, ie they were “not to hardly” asked to present their opinion. 13 of them voted with the values 5-7, ie they were included moderately and 5 of the respondents felt that they were included well to very well (8-10 points) by the employer.

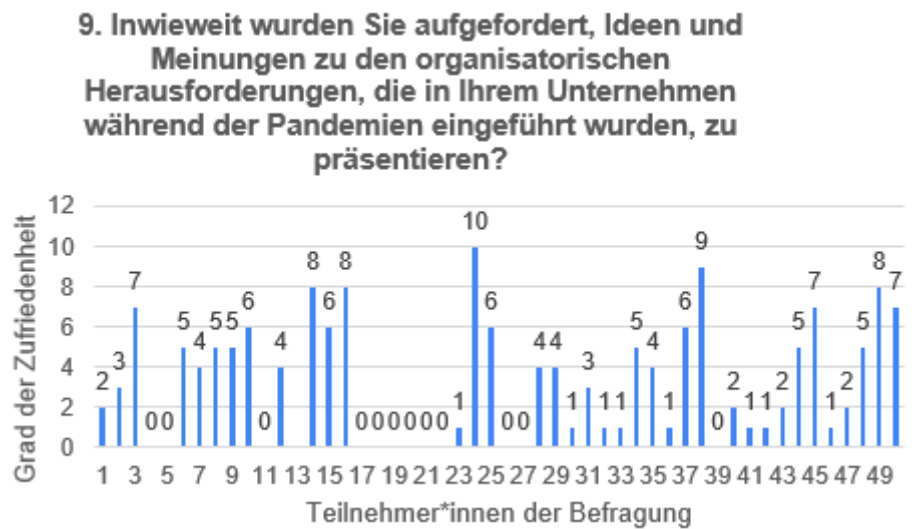
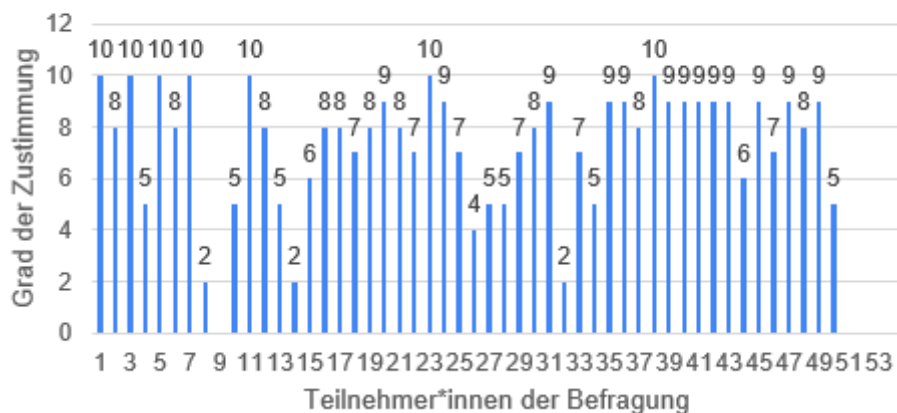


Figure 5: Employees' desire to be involved / informed by the employer

15. Wie wichtig ist Ihnen im hypothetischen Fall einer weiteren pandemieähnlichen Krise die Unterrichtung durch den Arbeitgeber?



The employees answered question 15 as follows: 3 of them gave a rating of 0-3, ie they would “hardly to hardly” want to be taught should another pandemic-like crisis occur. 15 of them voted with the values 5-7, ie they would like to receive moderate instruction from the employer and the majority of the respondents (30) would like very strong involvement (8-10 points) and instruction from the employer.

The selection of questions from the employee survey reflects a uniform mood of employees from the trade and service sector. Most of the respondents felt mediocre to inadequate informed about the pandemic-related changes in the company by the employer or the trade union and taken with you regarding the measures. They also complain that they were poorly or too little heard in the process, despite the fact that the majority were well to very well informed about their rights. It also becomes clear that in the event of another hypothetical pandemic situation, the employees would like the employer to be significantly better involved in information, consultation and participation. A lobby group, e.g. a works council or staff council, can remedy this problem.

4. Results of the interviews

The interview partners came from different industries. The following four interviews are selected and described.

Interview 1: Care industry

I conducted the interview by telephone with a nursing manager (operational manager). The company in which she works employs around 1,500 people who have 14 care services in 7 German federal states.

Interview 2: Sector advertising and public relations

The employer runs an advertising agency for radio and media production. The company produces radio broadcasts and takes over the switching of radio stations. The company is small with two managing directors and one employee. The interview was conducted over the phone.

Interview 3: Education and training sector

The director of the institute runs a regional location that is a service provider in language mediation. In Germany, the registered association has a total of 12

Locations. She herself leads 20 employees. The interview was conducted via Microsoft Teams.

Interview 4: Gastronomy and hotel industry

The restaurant manager runs a restaurant with 20 employees. The employees work in shifts. The interview was conducted over the phone.

Impact on Business

The new and short-term regulations and laws in Germany, which differ from state to state, made work more difficult, especially in the care sector but also in the catering sector. The supply of protective equipment for employees (protective gloves and hygiene supplies) was not always guaranteed across the board during the pandemic. This hindered the guarantee of occupational health and safety for employees. In the catering sector, most of the restaurants remained closed during the lockdown, which led to high sales losses for the restaurant operators.

Furthermore, employers made use of the option of short-time working for employees in order to cushion loss of orders and to ensure continued wages. However, the orders have shifted in time according to the needs of the customers and had to be converted depending on the type of order, for example to digital offers and training.

Process of Inclusion and Best Practices by Employers

With regard to the process of inclusion, different aspects were named:

Due to the shortage of staff, the existing staff was trained and further qualified for further areas. Thus, they could also be used in new areas. This measure was also perceived and supported positively by the employees.

There was also a mismatch in the desired communication and exchange between the employees and the employer. The employers have introduced online platforms (e.g. Microsoft Teams) for this purpose. Virtual coffee breaks and team meetings were offered on team channels to

To preserve the group feeling of the workforce and to ensure transparency of the management's measures in the pandemic. One employer also reported that she informed her employees about new regulations and the general situation during the pandemic by email once a week for a whole year.

In addition, some employers paid Corona bonuses to motivate employees. Employers also acted flexibly and openly with regard to the working time accounts of employees and released them for the corona vaccination during working hours or guaranteed flexible working hours.

Employers also responded to daycare and school closings and offered employees home office solutions.

Attitude of employees

Most of the employees were cooperative and team-oriented. With most employers, they had few options: these were layoffs or short-time work. Nevertheless, the employees were interested and sought to talk to the employers.

In the case of the example in the education sector, the decisions were formally concluded through the local works councils. For example, depending on the location, there is a “company agreement on mobile work” that has been adapted to the pandemic conditions. This was done by the employee representatives in negotiations with the regional management.

Employer assessment of employee attitude

The employers were interested in continuing and securing the work of the employees. However, there is a desire on the part of employers to simplify the work

of their employees and to improve home office solutions, for example by investing in new cloud solutions.

Recommendations for improvement by employers

Employers would like to continue to want financial support from the state, for example to invest in technical equipment for their employees.

Furthermore, it was warned that the new regulations at federal or state level were announced too quickly, which made the conversion of business processes and communication with employees extremely difficult. It is therefore advisable to give employers a lead time for the reorganization.

5. Conclusions and Recommendations

In the Corona crisis, codetermination shows its special importance. Interest groups, ie works and staff councils, create a remedy for secure jobs and financial security for employees with binding collective agreements. This feeling of security has a positive effect on the effectiveness, productivity and motivation of employees.

The research has shown that a constructive framework for the dialogue between employees and employer representatives must be created in order to guarantee the continued existence of the company even through the corona pandemic. This can be achieved above all through joint decision-making when reorganizing corporate work; employers and employees in the trade and service sector in particular must be made aware of this. In addition to raising awareness, the employees should also be made aware of their rights to participate in the work of their company.

This can be implemented by using and inquiring about information and further training offers from trade unions such as ver.di.

6. Sources

Hans Böckler Foundation (2020): Lived democracy as a success factor. (Böckler Impuls, 7-2020, special issue Mitbestigung, 1–9).

Hans Böckler Foundation (2021): Better off with a works council. Düsseldorf (Böckler Impulse 6-2021).

Ver.di (2021): ver.di innovation barometer 2021. Companies and the world of work in the corona pandemic. (Link: <https://www.input-consulting.de/publikationen.html>)