Codetermination in Sweden: Myth and Reality

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There has been a shift in Swedish labour relations in favour of more bipartite decision-making at the workplace level. Drawing mainly on primary sources (especially survey studies from 1998, 1996 and 1984), this article examines two aspects of codetermination: the effects on the management of corporations, and employees’ position and their degree of influence. Data from the surveys indicate that codetermination on the whole has been well received and handled by both managers and unionists and local actors show a high level of ‘participative skill’.

Keywords: bipartite decision-making, codetermination, employee board representatives, participative skills

During the 1970s, the Swedish parliament enacted a whole series of new labour laws, with the Codetermination Act (Medbestämmandelagen, MBL) and the Act on Board Representation for Employees (BRA) attracting by far the most attention. The principal purpose of these legal reforms was to give private sector workers, through their union organizations, the right to share in the management of the firm in order to provide them with insight into company policy and to have a greater influence on the activities of the company. MBL is designed as a sort of ‘omnibus’ legislation in that it gives corporate employers and employee representatives considerable freedom to jointly design both the content and the mechanisms of codetermination. Thus the law places a substantial demand on the ability of managing directors and employee representatives to shape the company’s codetermination system and to decide its

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content. This ability of the local actors, which is described in this article under the concept ‘participative skills’, is important for how well codetermination will function in practice.

Now that the legislation has been in force in Swedish work life for more than two decades, it may be fitting to examine how it is functioning in practice, what various forms of codetermination have developed and what their implication is for the management of the firm. The open-ended nature of the laws for codetermination makes the daily procedure, forms and consequences of codetermination rather an open question.

My interest in codetermination, its patterns and the changes visible in the joint arrangements at workplace and company level, is related to the wider debate concerning the Swedish model for industrial relations and its changes over the last two decades. When social scientists write about the decline of the Swedish model, the focus is often on the national scene (Elvander and Holmlund, 1997). The traditional centralized Swedish wage negotiation system, where the Swedish Trade Union Confederation (LO) had a central position, has given way to industry- and company-level bargaining. The Swedish model that existed in the 1970s has been eroded and has given way to a more decentralized system (Brulin, 1995; Nilsson, 1999).

But parallel to this, I intend to show that another important change has taken place: a substantial vitalization of the local trade union branches and of codetermination at the local level (workplace and company). Even though Swedish unions might have lost influence on the national scene, it is hypothesized that their positions locally have been improved, partly as a consequence of the labour law offensive in the 1970s. This is supported by scientists such as Edlund et al. (1989), who conclude that the labour reforms have considerably strengthened the position of the employees and their organizations.

At workplace level, there has been a genuine shift in favour of more bipartite decision-making. . . . The reforms have had the effect of extensively broadening and deepening the whole range of trade-union activities, especially at the local level. (Edlund et al., 1989: 30)

My description of the development in Swedish industrial relations towards more bipartite decision-making focuses on two questions. The first is whether employee participation constitutes a resource or a burden to the company. On the one hand, codetermination is
a resource as it can contribute such values as trust, new ideas and legitimacy. The founders of MBL relied very much on this viewpoint. The theoretical basis of this view is cooperative game theory (Aoki, 1984), a theory that asserts that those involved in joint decision-making can reach effective solutions (‘plus-sum-game’). On the other hand, participative arrangements are seen as an encumbrance since they take up a lot of time and are a hindrance to effective decision-making. To what extent these opposing concepts coincide with the situation in Swedish industrial life is ultimately an empirical question.

The second question concerns the employee representatives’ position in relation to managers and owners, and in relation to the local union organizations. A high degree of integration implies that representatives take a very active part in management activities concerning the initiation and formulation of problems (Dahlström, 1983). The integration approach implies that employee representatives are organized so that they function cooperatively with the governing body and are thus integrated in the firm’s decision-making. In contrast, a separated solution implies that the employee representatives work outside the governing body.

The findings in this article are derived mainly from three survey studies. The first is an industry-wide postal enquiry from 1996 conducted by researchers at the Swedish Institute for Working Life. The primary purpose of this investigation, covering corporate directors and union representatives at 542 industrial corporations, was to determine the different paradigms for, and the consequences of, codetermination in each of the companies. The other survey, carried out in late 1998, focuses on how employee participation functions at corporate board level and its implications for the board as viewed from the perspective of the managing director, the chairperson of the board and employee board representatives.² I was responsible for both projects. In order to describe and analyse patterns and changes over time references are also made to a survey carried out in 1984.³

The article is organized as follows. I begin by clarifying whether codetermination should be seen as a resource or a burden for the company according to managing directors and chairpersons of the board. Then I present data that illustrate employee representatives’ position and influence on the management of companies. The article concludes with a brief summary of the results, which are related to some perspectives on the Swedish model of codetermination.
Codetermination and Employee Board Representation – A Burden or a Resource?

The majority of managing directors in Swedish industry consider codetermination and employee board representation as a valuable resource to the company: it promotes collaboration, makes it easier to bring about changes and helps build trust. This positive picture of indirect participation, which most Swedish executives support, is clearly depicted at all three measurement points (i.e. 1984, 1996 and 1998). The percentage of corporate executives expressing positive experiences has increased somewhat since the first study in 1984. In 1996, three-quarters of Swedish corporate managing directors responded positively to the question: ‘What are your experiences concerning the advantages and disadvantages of codetermination for the firm?’ (see Table 1).\(^4\) One-fifth of the respondents reported that ‘the advantages and disadvantages are about equal’. A small minority, about 5 percent, reported that employee participation has negative consequences on the company’s activities. Only one of the 293 corporate managing directors surveyed was convinced that employee participation ‘is very negative’. Statistical analysis of the directors’ responses indicated that the percentage of positive opinions is largest in companies with more than 500 employees.

The positive attitude towards employee participation is also apparent in the 1998 survey of employee representation at board level. More than 60 percent of the directors responded ‘very positive’ or ‘quite positive’ to the question: ‘What are your experiences of employee board representation and its advantages or disadvantages

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**TABLE 1**

Corporate Directors’ Experiences of the Advantages and Disadvantages for Companies from Codetermination \((N = 293)\) and Employee Board Representation \((N = 411)\)  
(in percentages)

<table>
<thead>
<tr>
<th></th>
<th>Very Positive</th>
<th>Quite Positive</th>
<th>As much Positive as Negative</th>
<th>Quite Negative</th>
<th>Very Negative</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Codetermination</td>
<td>17</td>
<td>59</td>
<td>19</td>
<td>5</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Employee board</td>
<td>19</td>
<td>42</td>
<td>30</td>
<td>8</td>
<td>1</td>
<td>100</td>
</tr>
</tbody>
</table>

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for the company?” A large number of managing directors (30 percent) concluded that their experience of employee board representation is that it has ‘as many advantages as disadvantages’ for the company. Only 8 percent of the managing directors answered ‘quite negative’ and only one director responded ‘very negative’.

In this section, some of the positive aspects of codetermination are specified. In 1996, a good half of the managing directors considered that union participation in the company supplied management with new ideas (Table 2). A large number (82 percent) of the managers reported that codetermination ensures that ‘decisions are better rooted among the employees’. It should be noted that this percentage has increased somewhat compared to the 1984 data; the precise size of the increase, however, is difficult to determine in that the questions were not identical in the different studies. For instance, a good half of the managing directors in 1984 were of the opinion that ‘union participation in the decision-making process saves time in the long run’. About two-thirds of the managing directors reported that union participation ‘makes it easier to carry out decisions on shutting down a company, going into liquidation or reducing the workforce’ (Levinson, 1991).

According to 80 percent of the companies surveyed in 1998, a prevailing characteristic is that cooperation between employee representatives and other company board members is seen as ‘good’ or ‘very good’. If the analysis is taken beyond the company board, the study shows that the climate of cooperation between the company managers and the trade unions is ‘very good’ or ‘quite good’ in nine out of ten companies in Sweden. Only four of 411 managing directors thought that cooperation was ‘rather bad’ and only one director thought that it was ‘very bad’.

The results thus give strong support to those theories (e.g. cooperative game theory) emphasizing that employee participation and collaboration in management issues can contribute such values as trust, new ideas and joint solutions. In this section I look

<table>
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<th>TABLE 2</th>
<th>Managing Directors’ Experience of Codetermination (N = 293) in 1996 (in percentages)</th>
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<tbody>
<tr>
<td>Decisions become better rooted among the employees</td>
<td>82</td>
</tr>
<tr>
<td>New ideas are presented to management</td>
<td>51</td>
</tr>
</tbody>
</table>
at some of the negative aspects. According to some theories employee participation is a negative influence in that it ‘hinders effective decision-making’, ‘takes too long to get things done’ and ‘is altogether too demanding on resources’. The results from the 1996 study provide little support for fears that codetermination slows things down and increases conflict in managerial work. This study demonstrates that 86 percent of the managing directors did not believe ‘that union participation contributes to conflict and slowing down of company operations’. Only a modest 2 percent (seven of 287 directors) completely agreed with the statement that union participation contributes to conflict and confrontation and inhibits the effectiveness of management. The fears that employee participation would be a hindrance to effective decision-making and result in bureaucratization of the company also had little support in the 1984 study. Three-quarters of the managing directors then believed that union participation was not too demanding of resources or that it obstructed the process of producing effective decisions. For example, 80 percent of the managing directors believed that participation was not an obstacle to efficient decision-making. Scarcely one-quarter of the managing directors responded that employee participation makes the decision-making process take too long (see Table 3).

Only a small proportion of managing directors in the 1998 study of corporate boards associated employee participation with lack of efficiency. One-sixth of the directors indicated that ‘decision-making is seriously hindered’ by employee participation. In 17 percent of the companies, the managing director maintained that employee participation entails having too many irrelevant issues on the agenda. Only 7 percent of all managing directors were

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<th>TABLE 3</th>
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The Influence of Codetermination in Three Areas that Affect Company Proficiency in 1984, According to Managing Directors (N = 259) (in percentages)

<table>
<thead>
<tr>
<th>Takes Too Long</th>
<th>Overly Demanding on Company Resources</th>
<th>Hinders Effective Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not agree</td>
<td>76</td>
<td>72</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
concerned that employee participation leads to conflict and confrontation on the board. Of the various items covered in the questionnaire, the one that gets the most support (40 percent) pertains to ‘a risk of increased leakage of information’. It should be noted that the questionnaire items do not cover whether this risk has in fact become a reality.

Another way to estimate the cost side in a ‘codetermination balance sheet’ is to quantify the amount of time that employee representatives spend on participative activities, including preparation time. The economist Sören Wibe (1994) performed such a quantitative analysis in an expert study in 1992 for a governmental committee. Wibe’s analysis indicates that the mean time employed for negotiation and information gathering, according to the MBL, is 0.2 percent of the total work time. The median value for work time consumed is 0.1 percent, which means that half of all the companies has a time consumption that is lower than one-tenth of 1 percent. The total time devoted to codetermination is calculated to be between 0.4 and 0.5 percent of a company’s total work time. In this calculation of direct time consumed for information gathering and bargaining, preparation time (estimated to be comparable to direct time consumption) was also included.

The results from the survey studies show that codetermination, according to the experiences of managing directors, functions well and is an important asset for the majority of Swedish companies. A large proportion of the country’s company leaders believes that employee participation creates worth in the sense that it contributes new ideas, strengthens people’s willingness to cooperate and confers legitimacy for such difficult decisions as production or worker cutbacks. Most managers do not support the idea that codetermination is costly or hinders effective managerial work. Not only has this positive view of codetermination praxis in Swedish industry remained stable over time, it is on the increase.

The way codetermination is handled at the local level suggests that most company leaders and employee representatives possess a high level of ‘participative skills’; that is, by cohering, they are capable of creating a united effort that enhances the value of the company. Participation is often handled in a way that is beneficial for management processes. Employee representatives bring new ideas, support and trust and make decisions which are better rooted among employees. The results thus support the idea that participation can be a positive resource for the management of corporations.
Employee Representatives' Position and Influence

As a consequence of the legal rights to codetermination most companies have some type of workplace-based arrangements for the representation of employees' local unions. The development of these codetermination arrangements are described in quite a few studies (Hart and Hörte, 1989; Dahlström, 1983; Levinson, 1991; Edlund et al., 1989). The situation is that employees via the local unions take part in management work and company decision-making processes. This does not, however, mean that they are well integrated in management processes. The results from the study in 1984 as well as from the studies in the 1990s indicate that employees are kept out of the important early phases, when changes are initiated and solutions formulated.

Employee representatives seldom take the initiative when it comes to important changes (reorganization, introduction of new technology, development of new products, mergers, etc.). This pattern is observed for board representation as well: the employee representatives are seldom included at the point when issues are being prepared for the board. The preparation process is conducted by the chairperson, the managing director or a project planning committee. Employee board participation is restricted to the formal decision phase.

This participative pattern was illustrated in the 1984 study by dividing the process of strategic decision-making into four phases: initiation, preparation, final decision and implementation. The participation pattern formed a pyramid with the top part in the third, final decision phase. The participation percentages in the four phases were 24, 72, 94 and 59 percent (Levinson, 1991). This pyramid-shaped participation pattern is still valid (Levinson, 1997). Employee representatives are present when important changes are initiated in only 17 percent of the companies.

Another aspect that has been investigated is how active employee representatives are in management processes. The general view is that their performance is somewhat cautious: a 'wait and see' strategy is employed. Exceptions are areas such as personnel questions, production and work environmental issues, reorganization and production cutbacks. A majority of the companies in the 1984 study reported that employee representatives were satisfied with a very low activity level, best exemplified by such comments as...
‘no initiative whatsoever’, and some respondents commented on how representatives would do no more than merely ‘request more information’. Twenty-eight percent of the companies indicated that union representatives were satisfied with ‘establishing conditions’. The largest extent of union activity – represented by the item – ‘recommend concrete alternatives’ – was noted in only 8 percent of the 259 companies. This pattern of employee activity in management processes is still valid (Levinson, 1997).

A cautious employee attitude is also prevalent when it comes to board participation. Employee representatives are not especially active and do not show initiative during board meetings (Table 4). In about half of the companies the representatives’ activity level on the company board is described as ‘low’, and in half of these companies, the activity level of the representatives was ‘very low’. Few representatives showed a ‘high activity’ level on the company board (about 10 percent) and a ‘very high activity’ level is almost non-existent.

The low activity profile of the board representatives is confirmed by the fact that in half of the companies they support the suggestions of others without discussion. Representatives consider the suggestions after thorough discussion in 40 percent of the companies, while in only 3 percent of the companies do the representatives make any demands as to what should be investigated or proposed. These results are in accord with the fact that employee representatives seldom participate in the preparation of board affairs. In about three-quarters of the companies, the chairperson or the managing director draws up the agenda.

<table>
<thead>
<tr>
<th>TABLE 4</th>
<th>Employee Representatives’ Activity on the Board, According to Managing Directors (N = 412) and Chairpersons (N = 326) (in percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managing Director</td>
</tr>
<tr>
<td>Very low activity level</td>
<td>25</td>
</tr>
<tr>
<td>Low activity level</td>
<td>33</td>
</tr>
<tr>
<td>Neither low nor high activity level</td>
<td>33</td>
</tr>
<tr>
<td>High activity level</td>
<td>9</td>
</tr>
<tr>
<td>Very high activity level</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>
Nonetheless, this low activity profile does not apply to all matters relevant to management and the workforce. For instance, a high activity profile of employee representatives is observed in such areas as personnel questions, work environmental concerns, reorganization, production curtailment and the introduction of new technology. The activity level represented by the item ‘convey union demands’ is present in these areas in one-third of the companies, while use of ‘one’s own information to support decision-making’ occurs in one-fifth. The 1998 board study also shows a rather high activity level in areas such as personnel questions and work environmental issues. In personnel matters, the activity is large or very large in half of the companies.

The degree of employee influence on strategic management issues is in most cases (80 percent of the companies) ‘advisory’, which means that the company’s management obtains the viewpoints of employee representatives before any formal decision is reached. In only 10 percent of the companies does the union have the highest degree of influence – namely enjoys ‘mutual decision-making’, which means that the union and management analyse the problem and arrive at a joint decision, one in which the union has a significant impact over final decisions. In the remaining 10 percent, the union has ‘no influence’.7

Another way of measuring the level of influence (used in the 1984 study) is to allow those interviewed to distribute points of influence on a scale from 1 to 10. The method reveals that employee influence on company strategic questions in general is very small. The managers reported a mean employee representative influence score of 0.1 points in the beginning of the decision-making process and 1.1 when the decision is formalized. According to union representatives, corresponding figures are somewhat higher for the beginning of the decision-making process (0.4) as well as when the formal decision is made (1.4). For work environment questions, however, influence is substantial (both according to managing directors and employee representatives), with 5 out of 10 possible points being given.8

In the 1996 study, a simpler influence scale was tested using a four-point scale: ‘very large’, ‘quite large’, ‘quite small’ and ‘very small’. As shown in Table 5, according to managing directors, of the five areas, work environment is subject to the largest employee representative influence. Collective employees’ representatives achieve a ‘very large’ influence in 44 percent of the companies and a ‘quite large’ influence in 50 percent of the companies. Other areas in
which influence is significant, as mentioned earlier, include working hours, transfer of personnel and changes in work organization. Concerning working hours, the collective employees’ union has a combined influence (i.e. ‘quite large’ and ‘very large’) on company policy in 80 percent of the companies. Of the five areas, introduction of a new technology shows the least amount of influence: few companies reported a ‘very large’ or ‘quite large’ employee representative influence.

The overall picture of employee participation in management is that the legal reforms and other forms of support have had the effect of extensively broadening and deepening local trade union activities related to management questions. Systems of consultation and participation have been established in most companies. Bipartite decision-making takes place on different levels in the companies. Data from the survey studies illustrate that employees and their local unions have considerably strengthened their positions relating to management and change in corporations. At the same time, the participation is limited in that employees do not take an active part when the issues are being initiated and the agenda for boards and management work are being decided upon. The degree of employee influence is in general rather low except for questions concerning personnel and production questions, work environmental questions, transfer of personnel and working hours questions.

**Codetermination Systems – Current Status and Change**

It is typical in research on labour–management relations to differentiate between two systems: integration and separation. The
integration model implies that employee participation is largely incorporated into the company’s different decision-making bodies and, in this way, it is integrated into the company’s everyday decision-making process (Dahlström, 1983). In the separation (or negotiation) model, employee demands are conveyed via negotiations. With a mixed form, cooperation occurs via both negotiation and participation in the decision-making bodies. In the first few years after MBL’s introduction, the negotiation system was common. In the beginning of the 1980s, during the so-called ‘consolidation phase’, a mixture of the two systems emerged and a move away from integrated codetermination could be observed (Hart and Hörte, 1989: 140). Consequently, during the consolidation phase a shift in strategy took place from negotiation solutions to mixed and integrated forms.

In the mid-1980s, the integrated model (full and partial forms) appeared in almost a half of companies, the mixed model in about one-third and the separated model in one-fifth (Hart and Hörte, 1989). A tendency towards the increased use of mixed models is apparent in the 1996 measurement. At that time, codetermination issues were handled via equal parts of representation and negotiation in 43 percent of the companies; whereas the tendency towards expansion of integrated models observed in the middle of the 1980s ceased. Of the pure models, the negotiation model is much more widespread in comparison with the integration model. The negotiation model is the principal approach in dealing with co-determination questions in one-third of the companies while the integration model is the main approach in one-fifth.

As already mentioned, workers’ representatives have typically come later on into the decision phase. It is critical to determine when the representatives enter into this process since leverage for negotiation is greatest at the beginning, before bargaining positions are settled. Further on in the process there is less scope for influence and it is often limited to either merely accepting or rejecting the ‘proposal put forward’. It is hypothesized here that union participation at the beginning of the decision-making process has begun to increase. The 1996 survey certainly indicates that there is a swing towards the union entering negotiations at an earlier phase in the process.
Possibilities and Constraints with an Integrated Participative Model

An important advantage for the employer with an integrated approach to codetermination is that it is both flexible and informal. By working together in project and working committees effective information exchange can occur, a process that ensures that participants arrive at an agreement during the course of the decision-making process. To have employee representatives take an active role in the actual processes is a means for management to reflect on the viewpoints of the employees, as well as to legitimize those decisions that will be or have been put into practice. Early participation allows the participants to come closer to the heart of the decision-making process and to the determination of problem areas. This, in turn, allows the participants to have a significant impact on the entire course of events. At the same time, participation in the decision-making process is a way for the local employee organizations to extend their knowledge and acquire insight into the conditions set up by business operations and management. In general, the integrative codetermination model satisfies the local organizations’ needs to attain insight and be informed of the company’s activities in a way that differs completely from the negotiation model. In addition to insight (knowledge enhancement), the organizations are given the opportunity to assert their opinions, that is to express their ideological leanings.

One problem associated with the integration model is that, in actual practice, cooperation is put into effect so late in the process that there is little room for manoeuvre. This delay means that employees’ representatives take part in the decision process without being able to influence the direction of decision-making proposals. In the integration model there is a tangible risk that members may have difficulty in identifying what their representatives do and where they stand in relation to management. There is a danger that representatives will be seen as weak and incorporated into the style and policies of management. For the members, this risk suggests a difficulty in differentiating their representatives from representatives of management. For example, a union’s profile of defending its members’ rights may be difficult to sustain with integrative representation. A further problem concerns the difficulty of maintaining contact with members and regularly informing
them on decision-making or change processes that continue over an extended period.

From a union perspective, the negotiation model has a significant advantage in that there are often distinct boundaries between management and unions. The union is more easily characterized as an organization prepared to struggle for its members where it is spared the responsibility of management’s decision-making task. It is easier to deny responsibility. A restriction is that one is far removed from the centre of the decision-making process and will thus lose negotiating leverage to effect decisions. From the viewpoint of management, there is the acute danger that differences in interest between management and unions are emphasized at the expense of those interests that the main parties have in common.

As already noted, mixed models have become more commonplace. Traditional bargaining, however, can be preferable for certain issues, for instance when differences between the partners are most conspicuous. For other types of question, such as workplace development, it would be appropriate for there to be close collaboration in the decision-making process. It is possible to unite different strategies in a suitable fashion. Pure negotiating approaches are frequently not possible, or not necessarily desirable. For those groups engaged in negotiations, a pragmatic strategy might involve making decisions on a case-by-case basis in order to adopt the most appropriate approach.

The revisions that have taken place over time regarding codetermination models indicate that the actors themselves are capable of changing their forms of social interaction. That this change occurs lies also in the fact that the MBL was constructed as an ‘omnibus’ law. Based on the new legislation, it is possible roughly to classify the development of Swedish codetermination into two phases. From the first expansion phase in the late 1970s until the beginning of the 1980s, there was a rapid increase of different forms of cooperation, particularly negotiating forms. Moreover, this period witnessed a rapid expansion of local union organization and resources. A calmer phase proceeded for a few years during the 1980s, characterized by a more focused and rational handling of information and negotiating activities. Meanwhile, the unions concentrated on fewer spheres of interest and thus could focus all their attention on these particular areas. An important feature of this consolidation period, or phase of relative inactivity, is the greater tendency of union representatives to become engaged in
the preparatory work in decision-making, which had been unusual in the initial phase.

**Concluding Comments**

In the debate that accompanied the labour law reforms of the 1970s, some circles warned that employee participation in the management of corporations would demand too much time and resources and, consequently, hamper effective management operations. Results of the survey studies on codetermination and board representation summarized in this article show, however, that these misgivings were highly exaggerated. Certainly, there are some costs associated with employee participation; however, these are in general rather circumscribed. The majority of managing directors in Swedish trade and industry emphasize instead the advantages of employee participation, which include contributing to a better cooperative climate, conveying new ideas to management, providing a mainstay in the decision-making process and facilitating the process of carrying out difficult decisions. Codetermination is viewed positively by managing directors in the majority of Swedish firms. These attitudes indicate that the MBL and the BRA are realistic constructions well adapted to Swedish prerequisites and modelled to facilitate and stimulate a developmental process under local conditions.

As demonstrated, local actors have had the ability to change their forms of collaboration over time and have learnt to adjust these forms to changing conditions. This ability to change is apparent in the increase in the use of mixed approaches, in which bargaining and participation in decision-making are combined. It can be said that managers as well as union representatives possess a substantial degree of ‘participative skill’. They are in most companies able to give codetermination such a content and form that it is beneficial both for the company and for the employees.

The mutual agreement of employer and employees on the forms and content of joint decision-making is well in line with the Swedish tradition of cooperation and collective bargaining. Although legislation (foremost the MBL’s statutes) as a method to encourage participation in the management of enterprises was a violation of the Swedish tradition, it did acquire a form strongly aligned with that tradition. The MBL did not aim to bring about fundamental changes in power relations within corporate life; the results reported
in this article show that such a power change did not occur. The board and the managing directors are obviously the driving force behind the initiation and direction companies take, as well as the policy and changes that unfold. Yet, there are certain specific areas – working environment, personnel issues and reorganization – where the employees have made considerable inroads through their unions.

The development of cooperative arrangements and a vitalization of local trade unions have taken place in a period of massive change in the economic and industrial relations area in Sweden. The traditional, rather centralized Swedish wage negotiation system has given way to more industry-level and local bargaining. Even though Swedish unions have lost control at the national level regarding the wage-setting process, they have strengthened their influence in the management of corporations and they are strongly present at the workplace level.

Notes

1. The Board Representation Act was originally enacted in 1973, became permanent in 1976 and was revised in 1988. The Codetermination Act came into force in 1977.

2. The sample included 660 companies with more than 25 employees. The response rate was 65 percent for the worker representatives, 69 percent for the civil servant representatives, 65 percent for managing directors and 51 percent for the chairs of the board.

3. Responsible for the survey were researchers at Uppsala University and the Swedish Centre for Working Life. An account of this 1984 survey is given in Levinson (1991).

4. The response rate was 79 percent for worker representatives, 74 percent for civil servant representatives and 76 percent for managing directors.

5. See SOU (1994).

6. The chair or managing director prepares business matters in three-quarters of the companies. In one-fifth of the companies, business concerns are prepared by a working committee to the board without any participation by employee representatives.

7. For an analysis of decision-making and owner-related differences, see Levinson (1991).

8. This type of measurement regarding influence was not done for the 1996 study.
References


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