

Employee Representation on Boards in Large European Companies - The Numbers

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EUROPEAN FEDERATION OF EMPLOYEE SHARE OWNERSHIP

Table of contents

Introduction	page 3
Employee representation on boards	page 4
Employee shareholders representation on boards	page 5
Executive owners' representation on boards	page 6
One-tier or two-tier board structure	page 7
Graph 1 Employee representation on boards in 2013 – % of companies	page 8
Graph 2 Employee representation on boards in 2013 – % of capitalization	page 9
Graph 3 Employee representation on boards in 2013 – % of employment	page 10
Graph 4 Employee shareholders representation on boards in 2013 – % of companies	page 11
Graph 5 Employee shareholders representation on boards in 2013 – % of capitalization	page 12
Graph 6 Employee shareholders representation on boards in 2013 – % of employment	page 13
Graph 7 Executive owners representation on boards in 2013 – % of companies	page 14
Graph 8 Executive owners representation on boards in 2013 – % of capitalization	page 15
Graph 9 Executive owners representation on boards in 2013 – % of employment	page 16
Graph 10 One-tier or two-tier board structure in 2013 – % of companies	page 17
Graph 11 One-tier or two-tier board structure in 2013 – % of capitalization	page 18
Graph 12 One-tier or two-tier board structure in 2013 – % of employment	page 19
Table 1 Employee representation on boards in 2013 – %	page 20
Table 2 Employee representation on boards in 2013 – The numbers	page 21
Country codes	page 22

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Introduction

Employee representation on boards is usual in many large European companies, either in Boards of Directors or in Supervisory Boards.

Employee shareholders are represented on boards in 13% of large French companies (but 29% in terms of employment). In France, employee shareholders representation on boards is thus typical in largest companies. However, it is much less frequent in other European countries.

On the other hand, employee representation on boards is usual for 36% of employees in large European companies. This is the case for 95% of employees in large companies in Austria, Germany or Slovenia. In France, it is the case for 51% of employees in large companies (just over the European average), while it is only the case for 2.3% in the UK... and 0% in Italy.

Employee representation on boards is highly sophisticated in France. Altogether employee representatives are present on boards covering 51% of employment in large companies. This is through unions or workers councils for 36% and it is for 29% through employee shareholders representatives (while both unions or workers councils and employee shareholders are present in 14% of cases).

This information is based on the EFES database of large European companies, which initially gathered all information about employee share ownership in each of the 2.200 largest European companies. The EFES database was recently extended to corporate governance issues.

Companies in the database are all European listed companies with a capitalization of 200 million Euro or more, at least one time from 2006 to 2013. The exact number was 2.190 companies in 2013. This is 25% of all listed companies in Europe (2.190 companies out of 9.000 listed companies - investment funds being excluded), employing 94% of all employees in the category and with 97% of the capitalization in the category.

Information from the EFES database is thus nearly exhaustive for European large companies, considering employment and capitalization.

The 2.190 companies together had 33.7 million employees in 2013. This is roughly 25% of all employment in the 20 million companies across Europe.

All Member States of the European Union are included, together with Norway and Switzerland.

Employee representation on boards

- Employee representation on boards is usual for 21% of European listed companies (see Graph 1).

It is over 70% in Denmark, Austria, Slovakia and nearly 90% in Slovenia.

It is 62,7% in Germany, compared to 27,4% in France (just above the European average).

In many European countries like The Netherlands, Spain, the UK, Italy or Belgium, it is 0% or just over.

- The picture is a bit different when looking at capitalization (see Graph 2).

Considering capitalizations, employee representation on boards is usual for 31% of European listed companies.

- Finally, the numbers are even higher when considering employment (see Graph 3).

Employee representation on boards is usual for 36% of European listed companies considering employment.

This is even true for 95% of companies in Austria, Germany or Slovenia.

It is for 70-90% in Norway, Sweden and Denmark, as well as in the Czech Republic, Croatia, Slovakia and Hungary.

It is for 51% in France (just over the European average).

Again here, it is quite nothing in many countries like The Netherlands, Spain, the UK, Italy and many others (18 countries).

Employee representation on boards is highly sophisticated in France. Altogether employee representatives are present on boards covering 51% of employment in large companies. This is through unions or workers councils for 36% and it is for 29% through employee shareholders representatives (while both unions or workers councils and employee shareholders are present in 14% of cases).

Employee shareholders representation on boards

- Employee shareholders are represented on boards in 12,5% of listed companies in France (see Graph 4).

Beside France, some cases can also be seen in Malta, Ireland and in Sweden.

- However, the number is growing to 28,3% in France when considering capitalizations (see Graph 5).

- And it is even a bit more when considering employment: Employee shareholders are represented in 28.7% of French listed companies, considering employment (see Graph 6).

In France, employee shareholders representation on boards is thus typical in largest companies.

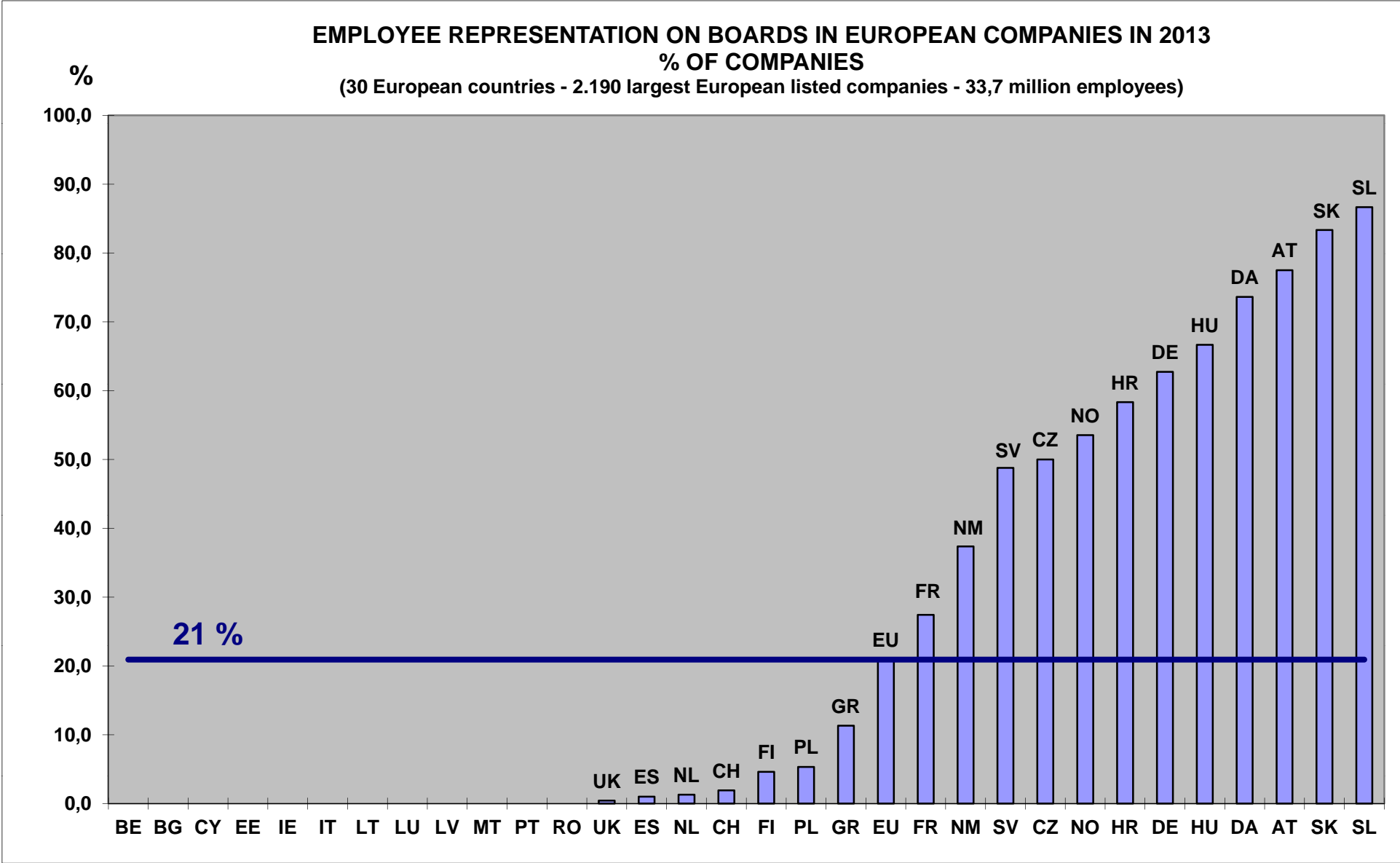
However, it is still an exception in other European countries.

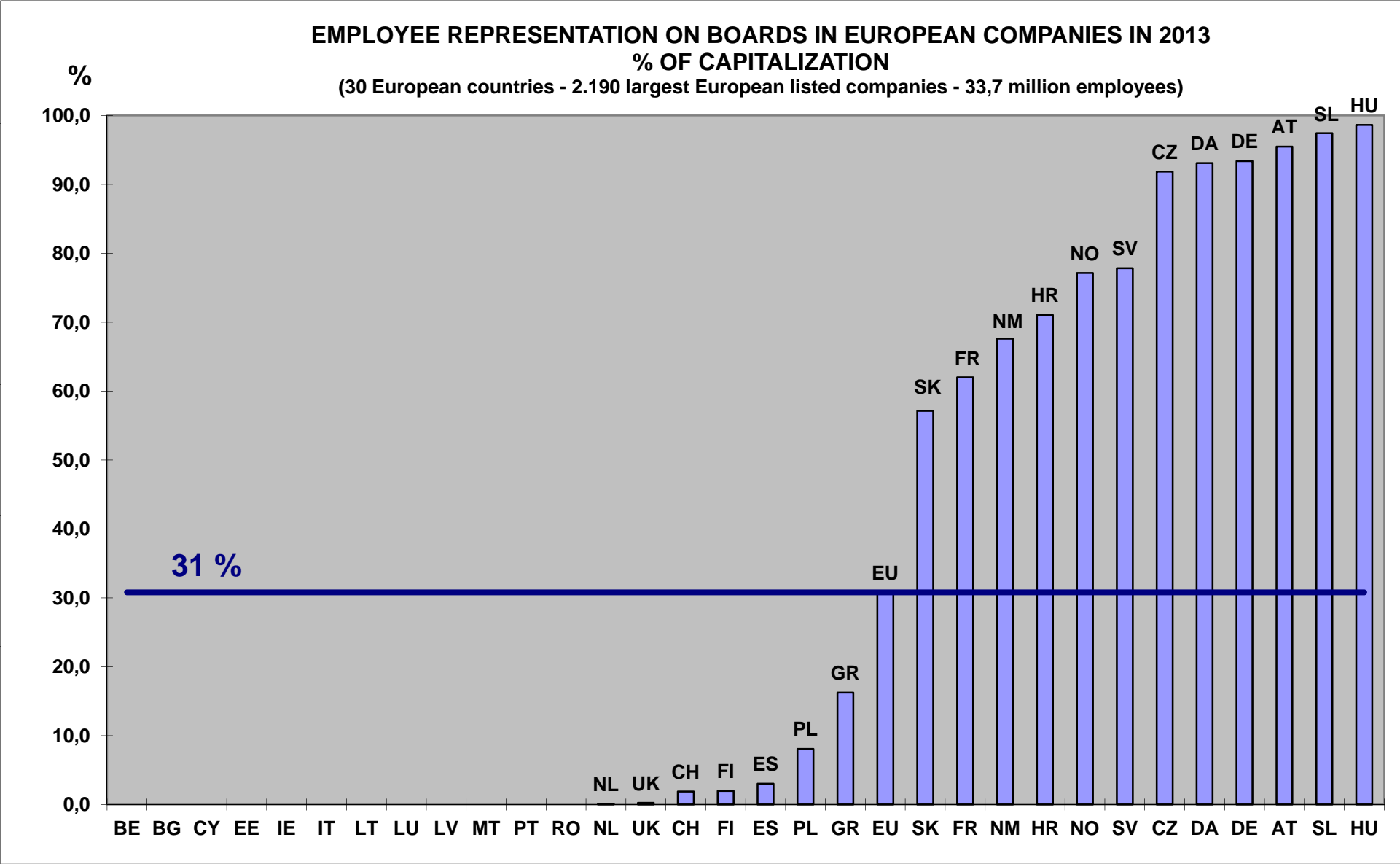
Executive owners' representation on boards

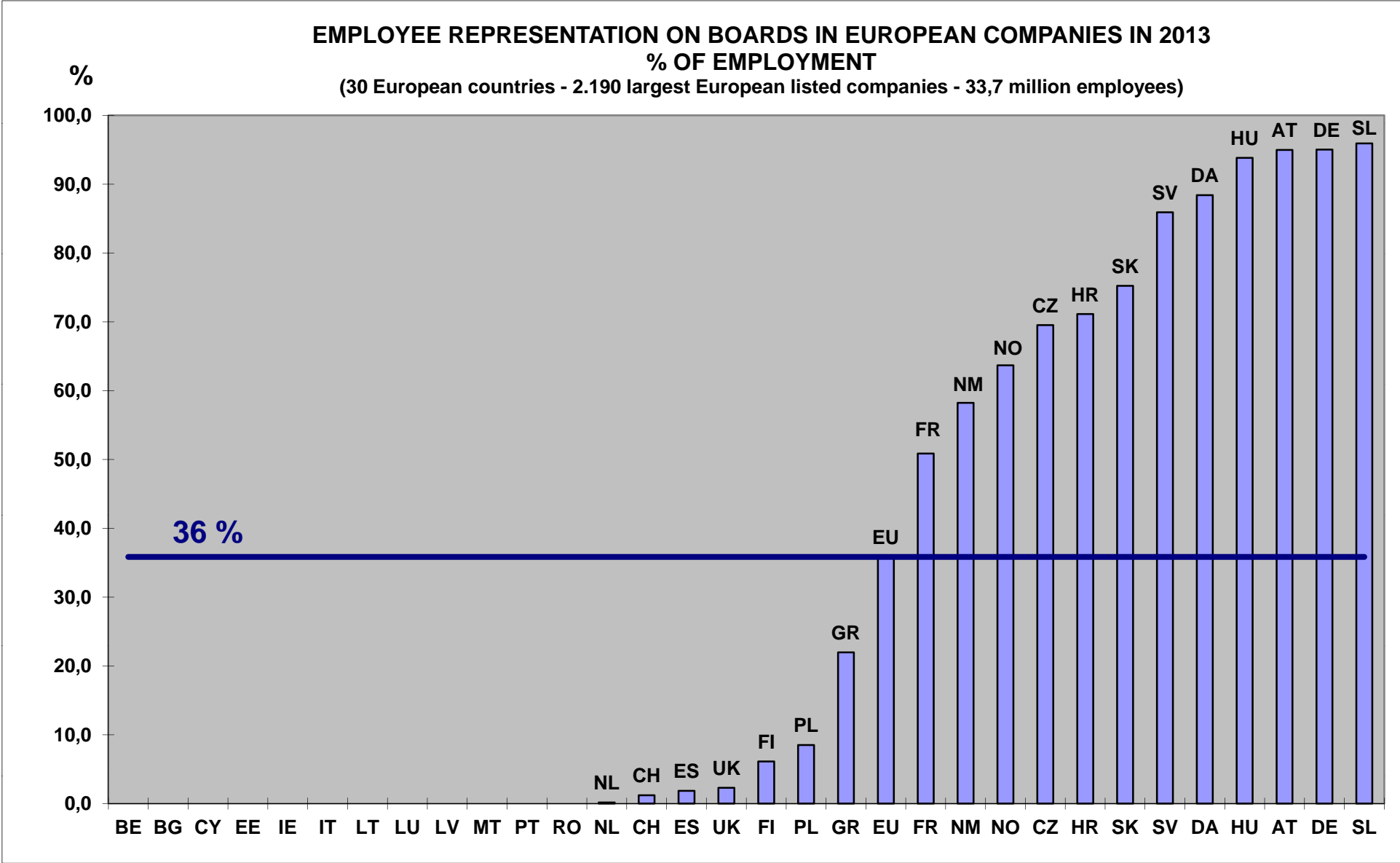
- In 11,4% of all European listed companies, persons owning a big stake are present as executives on boards (see Graph 7).
This percentage is even higher in Poland, Italy, Spain, Greece and some others.
- However, when looking at capitalizations, numbers are much smaller, - 2,6% for the European average (see Graph 8).
- Numbers are just a bit higher considering employment, with 4,5% for the European average (see Graph 9).
In summary: Owners acting as executives can be seen more in smallest companies and the number is decreasing as companies grow.

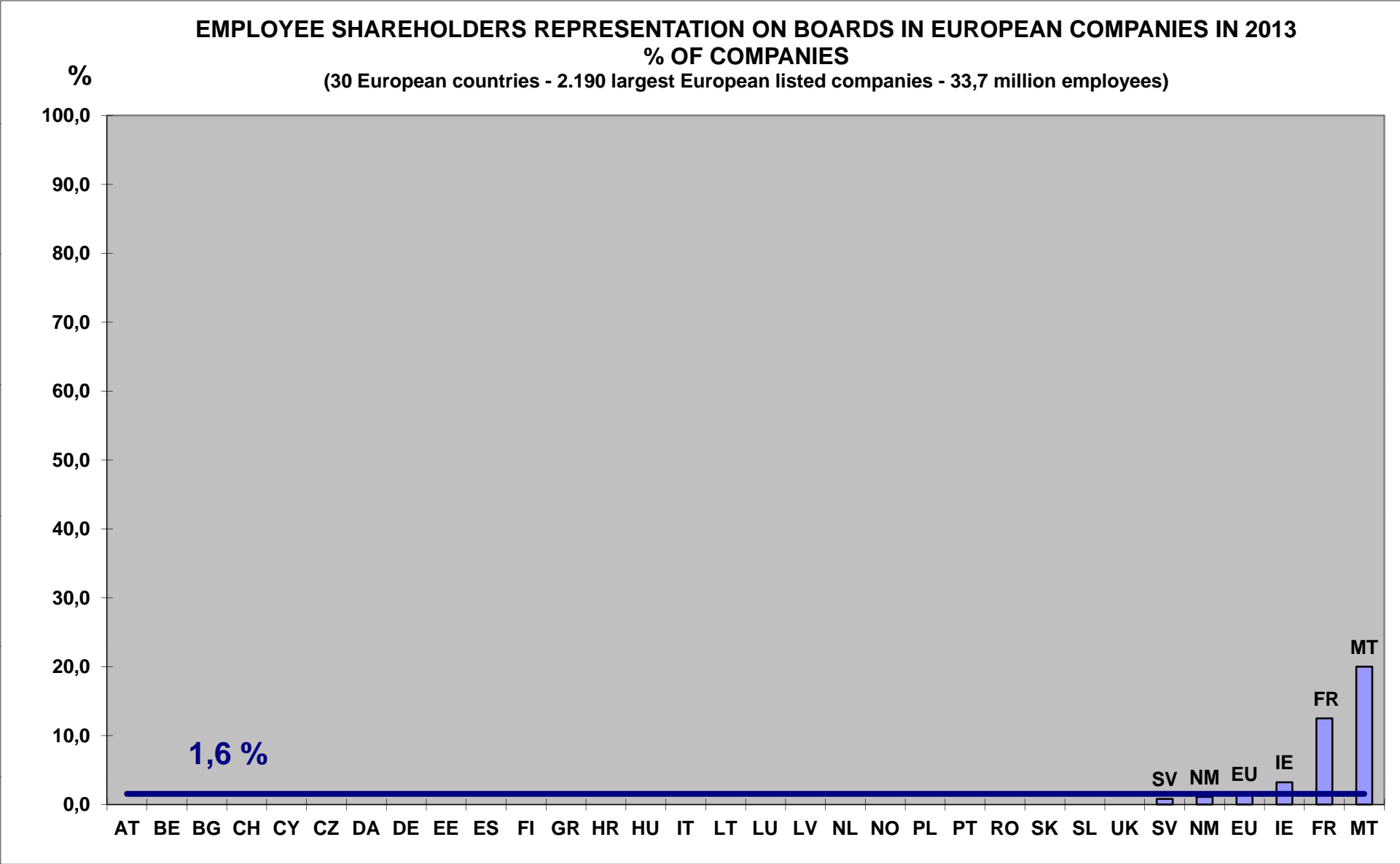
One-tier or two-tier board structure

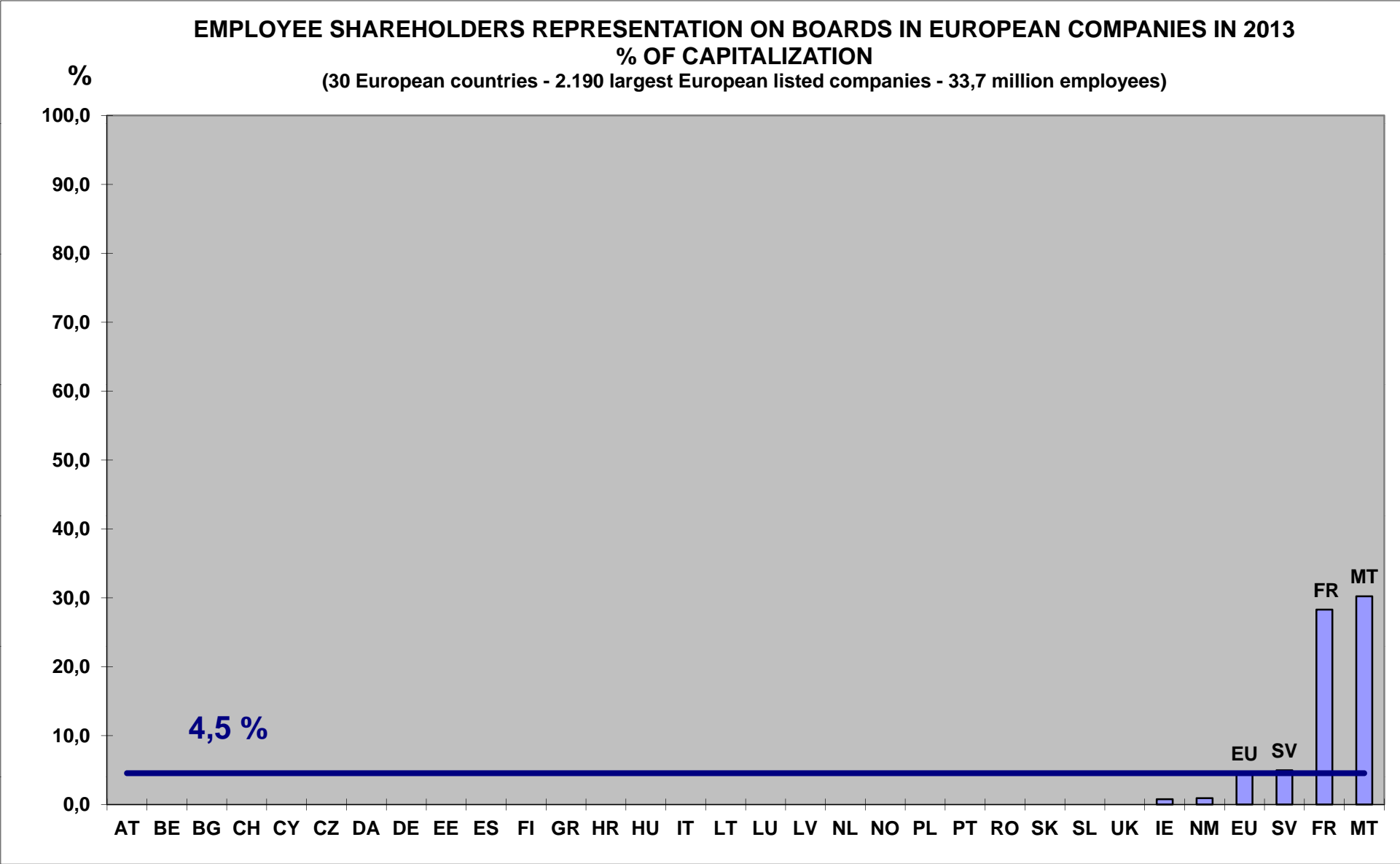
- When looking at the number of companies, one-tier and two-tier board companies are in a 50/50 proportion, the exact numbers are 49/51 (see Graph 10).
However, one-tier board structures are predominant in only 10 European countries, while two-tier board structures are predominant in the 20 other countries.
- The picture is a bit different when considering capitalizations (see Graph 11).
Considering capitalizations, one-tier and two-tier structures are in a 60/40 proportion (the exact numbers are 61/39).
- Finally, the picture is very similar when considering employment (see Graph 12).
Considering employment, one-tier and two-tier board structures are in a 59/41 proportion.

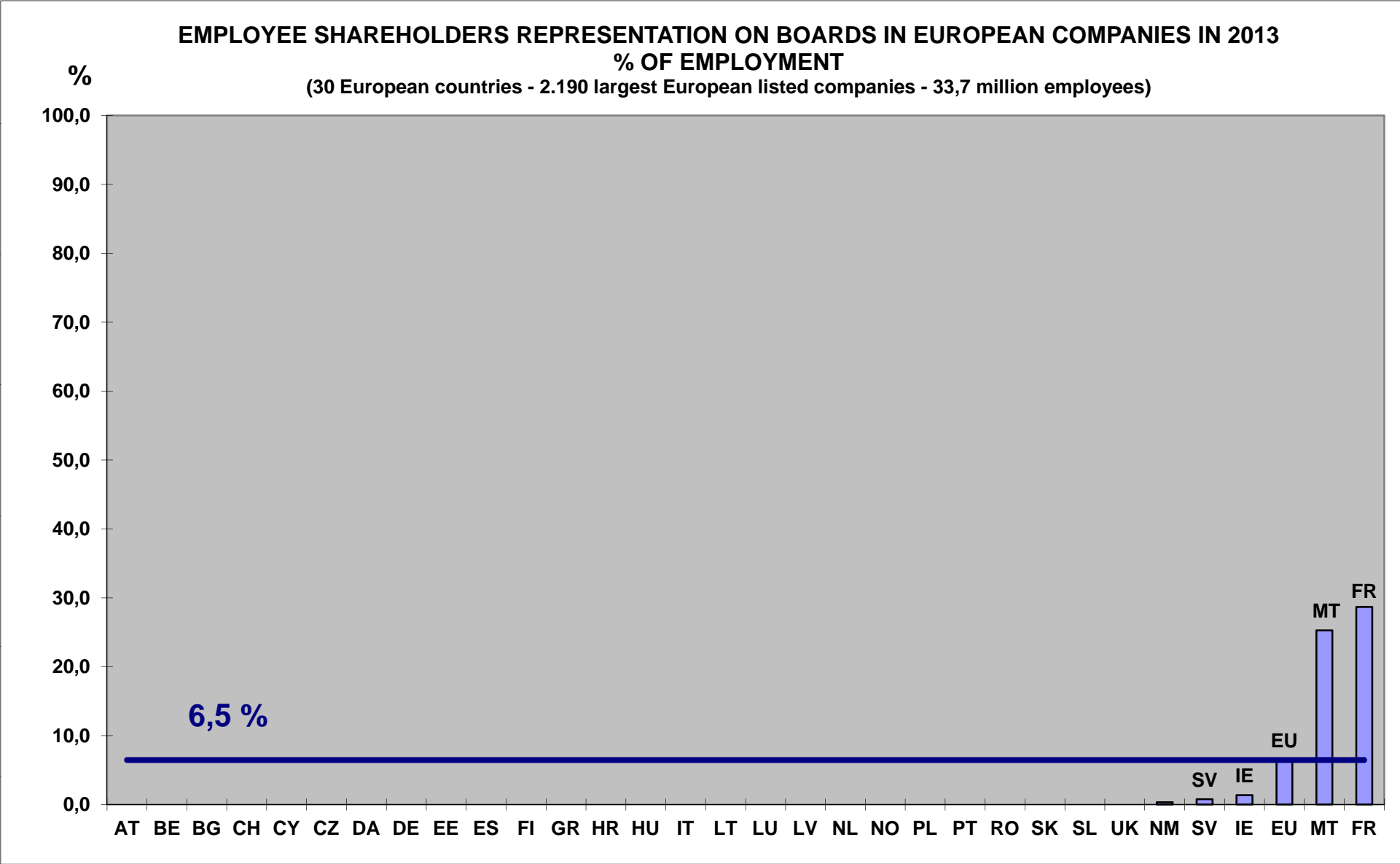


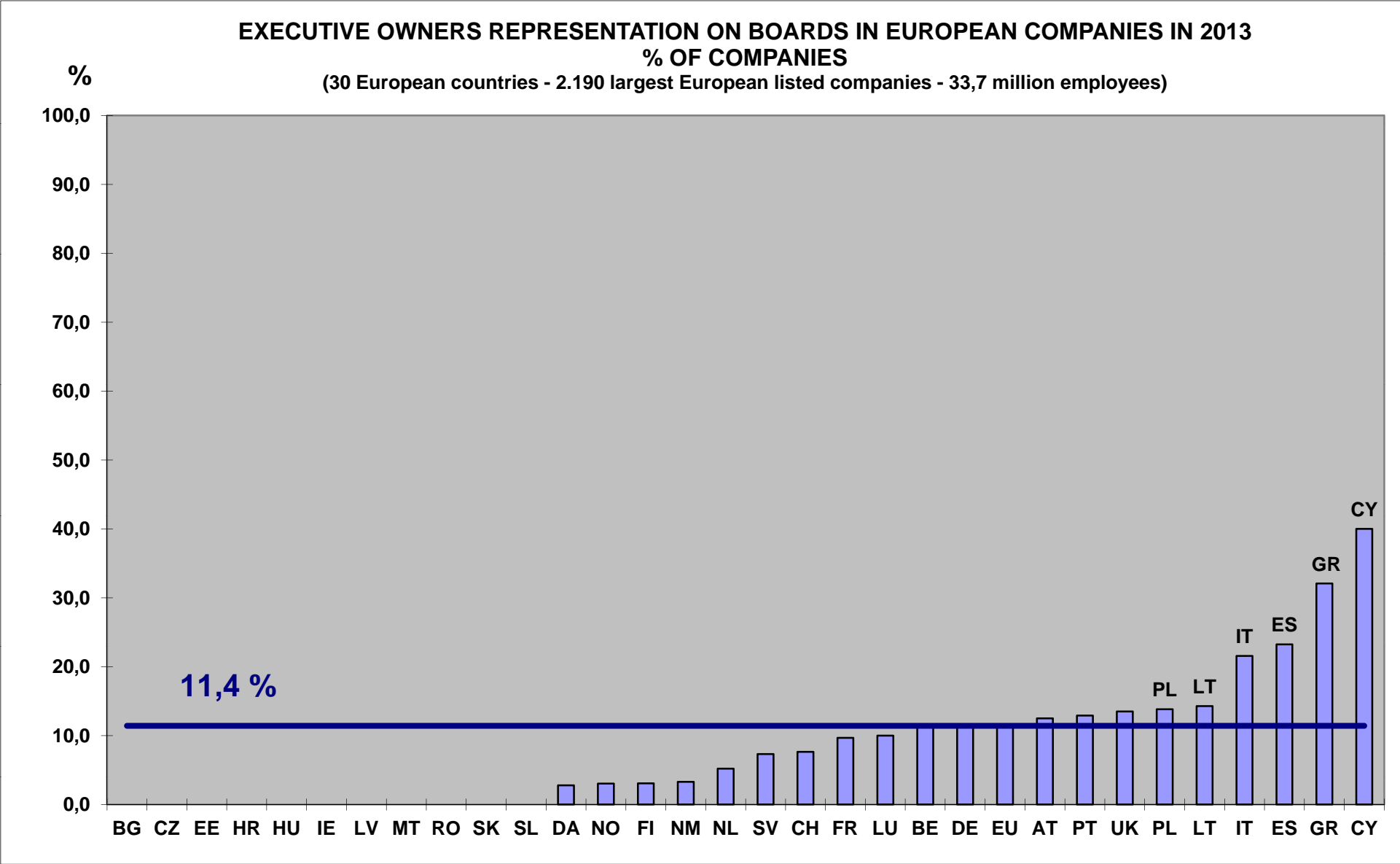


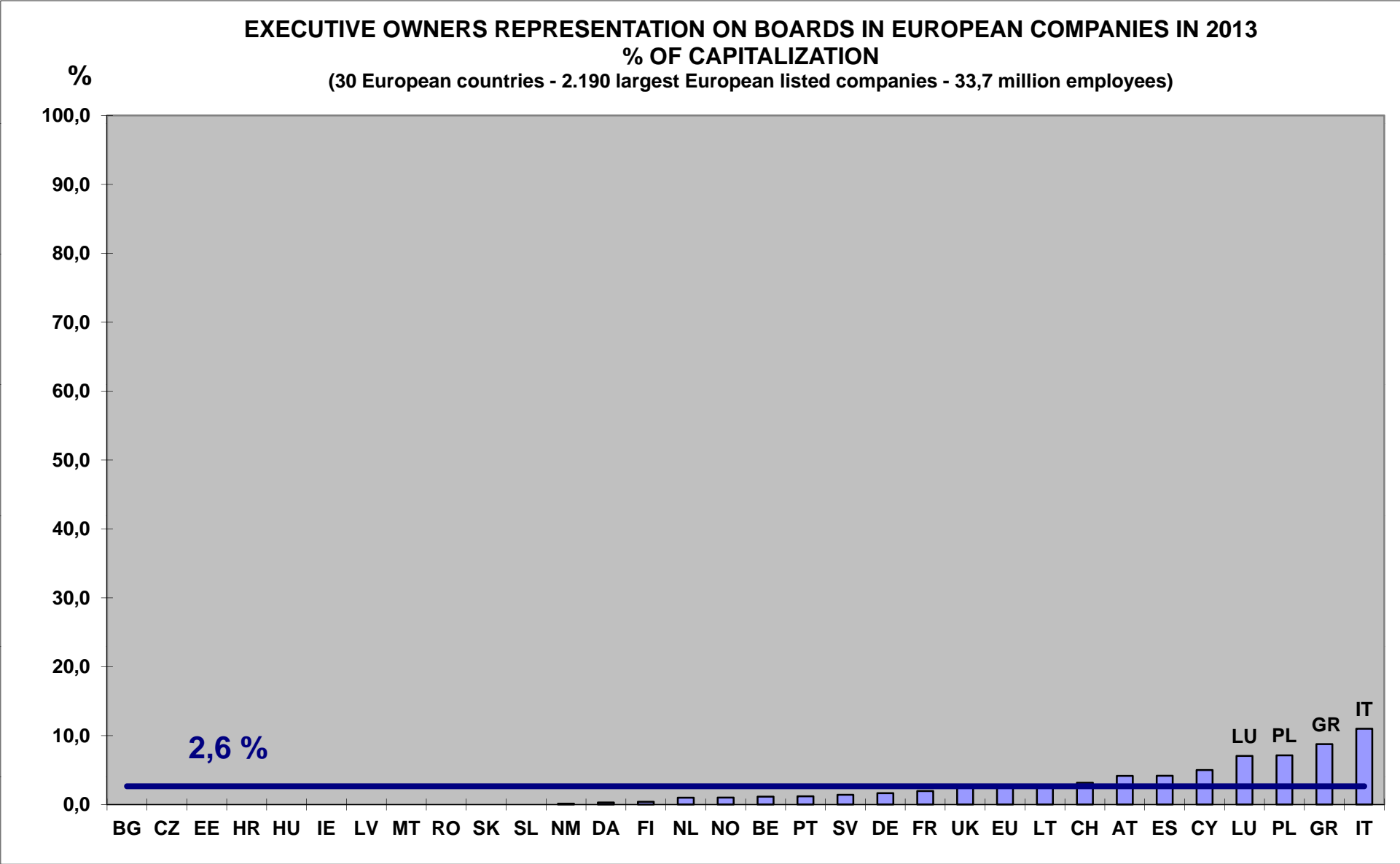


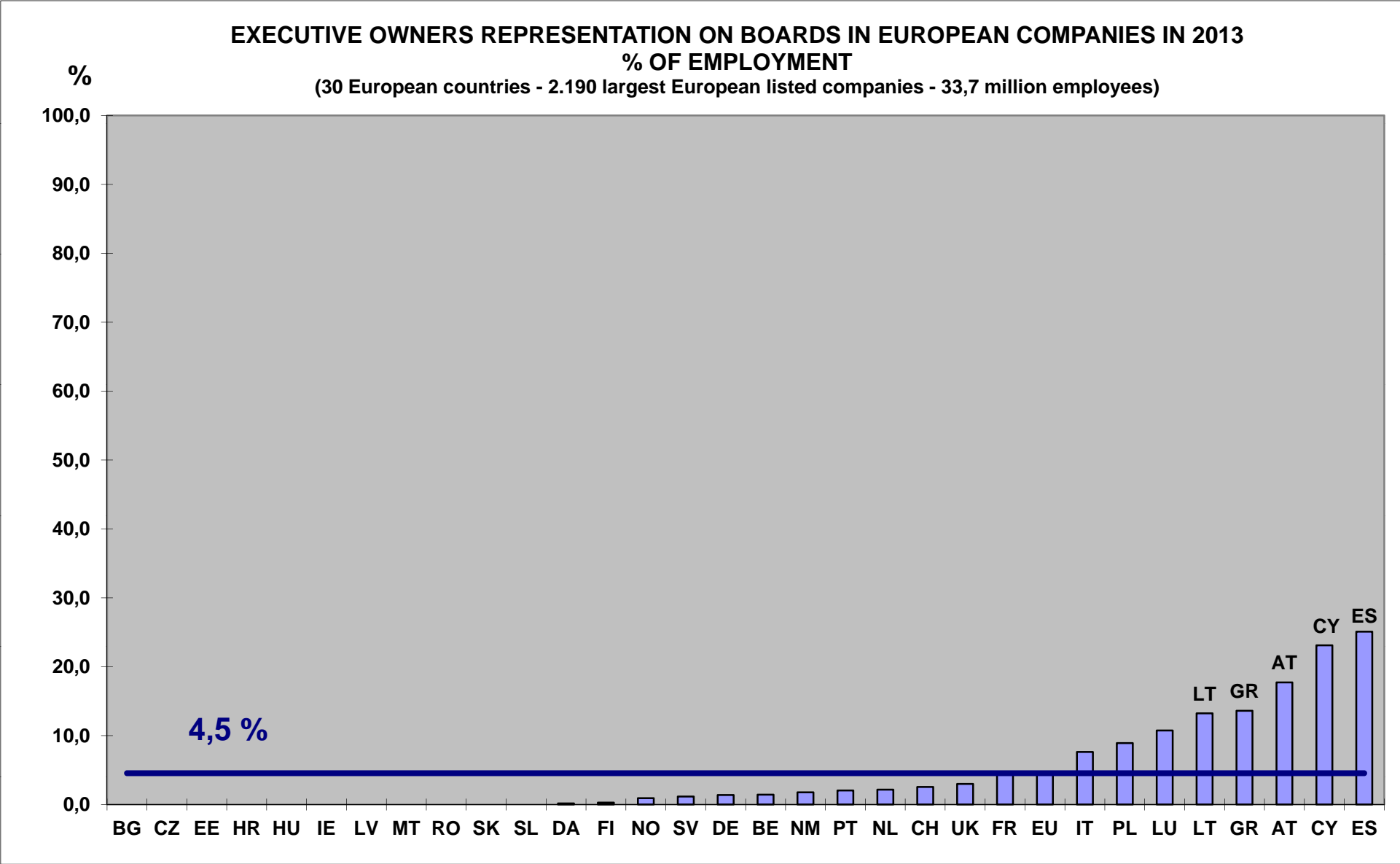


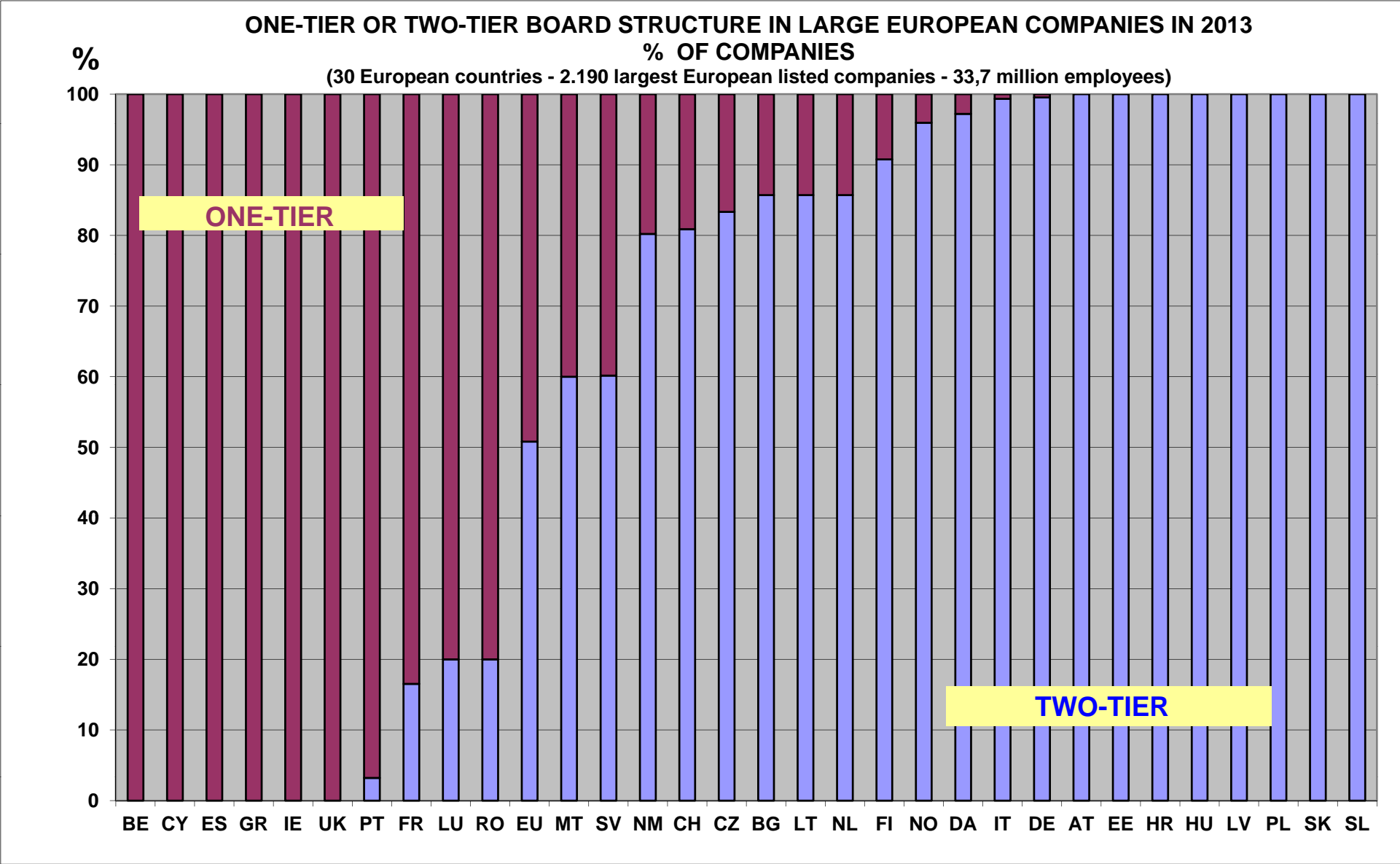


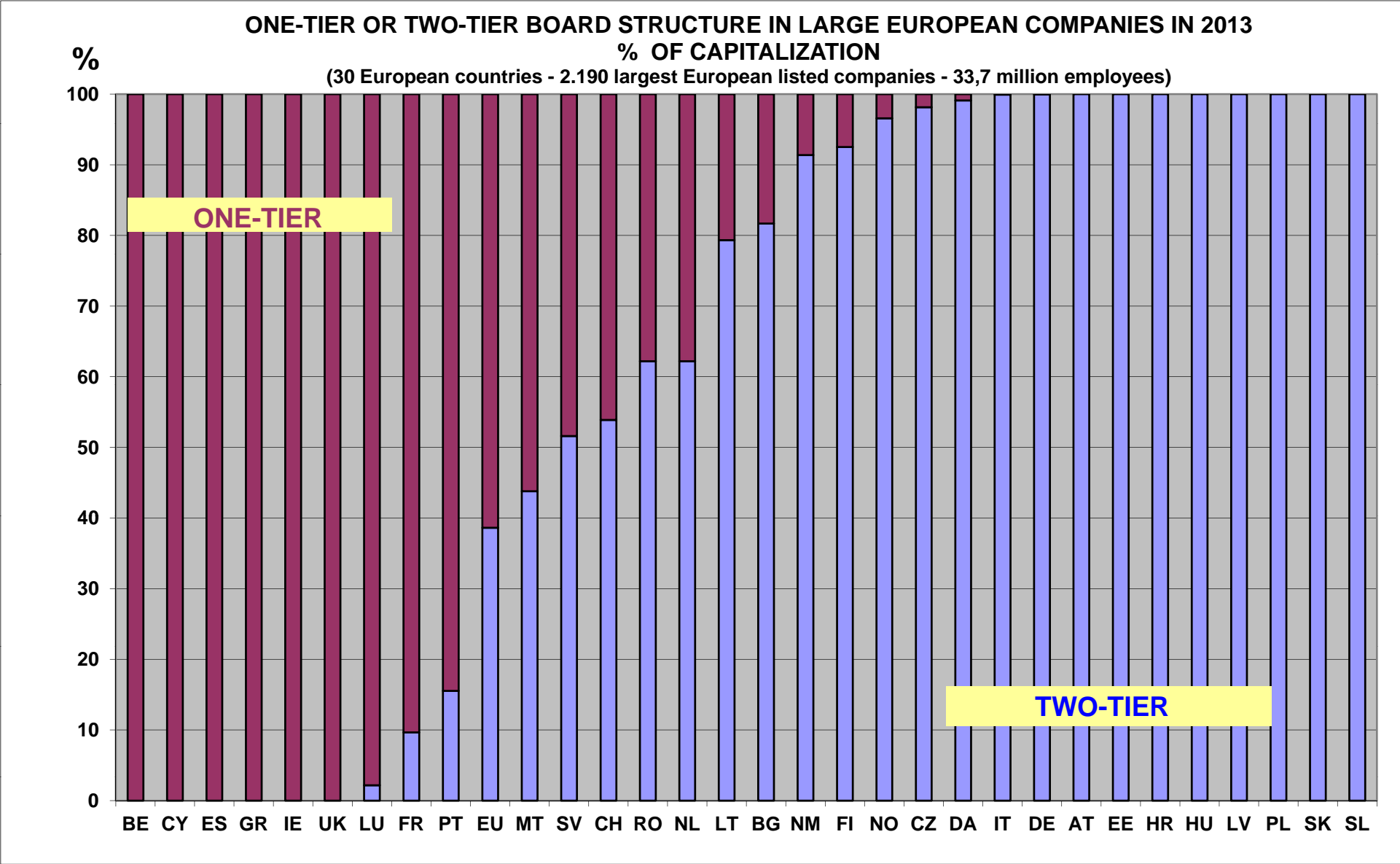












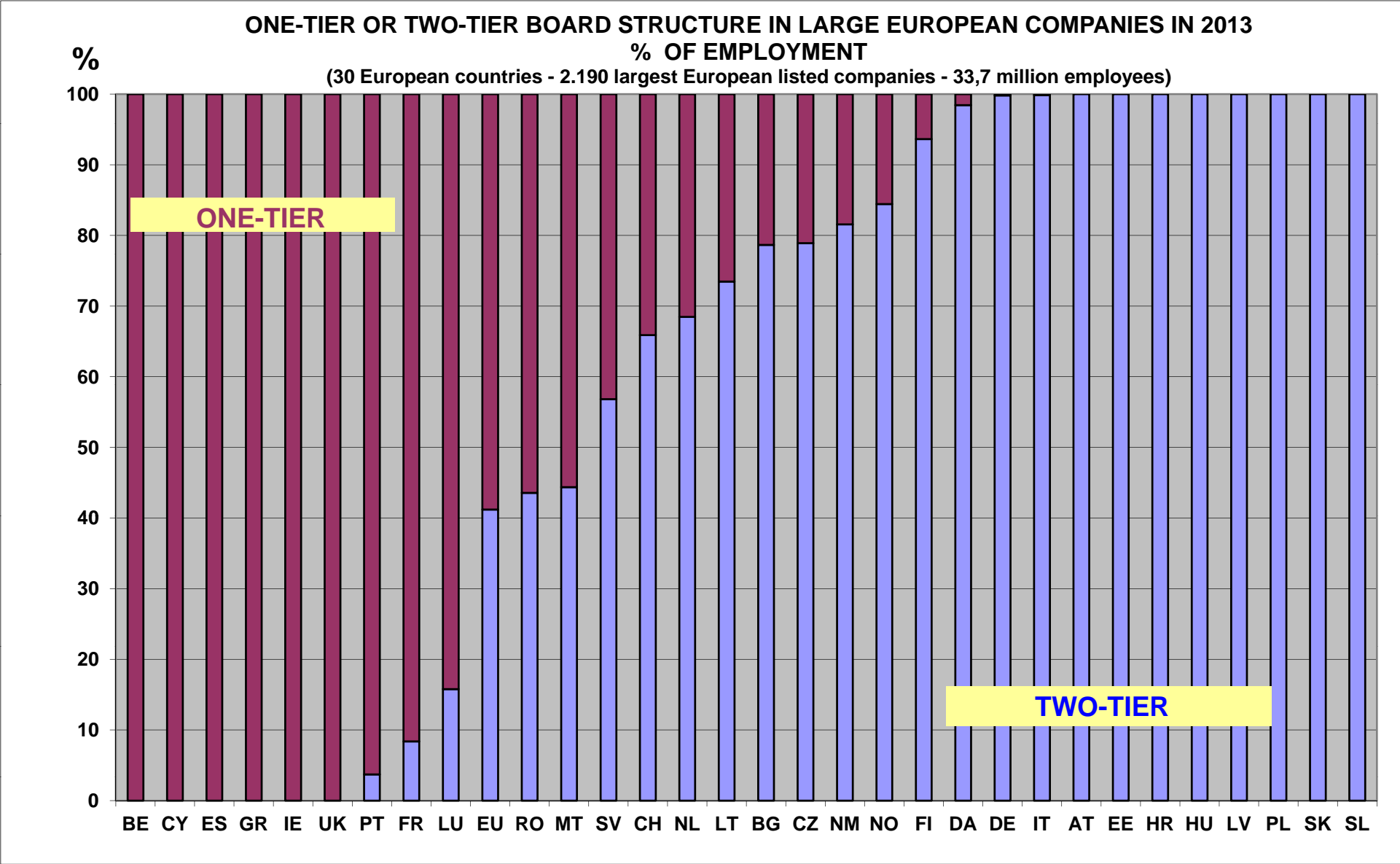


Table 1

EMPLOYEE REPRESENTATION ON BOARDS AND BOARD STRUCTURE IN THE 2.190 LARGEST EUROPEAN LISTED COMPANIES IN 2013

	% OF COMPANIES						% OF CAPITALIZATION						% OF EMPLOYMENT					
	Companies	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure	Capitalization	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure	Employment	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure
AT	100,0	0,0	77,5	12,5	0,0	100,0	100,0	0,0	95,5	4,2	0,0	100,0	100,0	0,0	95,0	17,7	0,0	100,0
BE	100,0	0,0	0,0	11,3	100,0	0,0	100,0	0,0	0,0	1,1	100,0	0,0	100,0	0,0	0,0	1,4	100,0	0,0
BG	100,0	0,0	0,0	0,0	14,3	85,7	100,0	0,0	0,0	0,0	18,3	81,7	100,0	0,0	0,0	0,0	21,3	78,7
CH	100,0	0,0	1,9	7,6	19,1	80,9	100,0	0,0	1,9	3,1	46,1	53,9	100,0	0,0	1,2	2,5	34,1	65,9
CY	100,0	0,0	0,0	40,0	100,0	0,0	100,0	0,0	0,0	5,0	100,0	0,0	100,0	0,0	0,0	23,1	100,0	0,0
CZ	100,0	0,0	50,0	0,0	16,7	83,3	100,0	0,0	91,9	0,0	1,8	98,2	100,0	0,0	69,5	0,0	21,1	78,9
DA	100,0	0,0	73,6	2,8	2,8	97,2	100,0	0,0	93,1	0,3	0,9	99,1	100,0	0,0	88,4	0,2	1,5	98,5
DE	100,0	0,0	62,7	11,4	0,5	99,5	100,0	0,0	93,4	1,7	0,0	100,0	100,0	0,0	95,0	1,4	0,2	99,8
EE	100,0	0,0	0,0	0,0	0,0	100,0	100,0	0,0	0,0	0,0	0,0	100,0	100,0	0,0	0,0	0,0	0,0	100,0
ES	100,0	0,0	1,0	23,2	100,0	0,0	100,0	0,0	3,0	4,2	100,0	0,0	100,0	0,0	1,8	25,1	100,0	0,0
FI	100,0	0,0	4,6	3,1	9,2	90,8	100,0	0,0	2,0	0,4	7,5	92,5	100,0	0,0	6,1	0,3	6,4	93,6
FR	100,0	12,5	27,4	9,7	83,5	16,5	100,0	28,3	62,0	2,0	90,3	9,7	100,0	28,7	50,9	4,5	91,6	8,4
GR	100,0	0,0	11,3	32,1	100,0	0,0	100,0	0,0	16,2	8,8	100,0	0,0	100,0	0,0	22,0	13,6	100,0	0,0
HR	100,0	0,0	58,3	0,0	0,0	100,0	100,0	0,0	71,0	0,0	0,0	100,0	100,0	0,0	71,1	0,0	0,0	100,0
HU	100,0	0,0	66,7	0,0	0,0	100,0	100,0	0,0	98,6	0,0	0,0	100,0	100,0	0,0	93,8	0,0	0,0	100,0
IE	100,0	3,2	0,0	0,0	100,0	0,0	100,0	0,8	0,0	0,0	100,0	0,0	100,0	1,4	0,0	0,0	100,0	0,0
IT	100,0	0,0	0,0	21,6	0,7	99,3	100,0	0,0	0,0	11,0	0,1	99,9	100,0	0,0	0,0	7,6	0,1	99,9
LT	100,0	0,0	0,0	14,3	14,3	85,7	100,0	0,0	0,0	2,8	20,7	79,3	100,0	0,0	0,0	13,2	26,5	73,5
LU	100,0	0,0	0,0	10,0	80,0	20,0	100,0	0,0	0,0	7,1	97,8	2,2	100,0	0,0	0,0	10,7	84,2	15,8
LV	100,0	0,0	0,0	0,0	0,0	100,0	100,0	0,0	0,0	0,0	0,0	100,0	100,0	0,0	0,0	0,0	0,0	100,0
MT	100,0	20,0	0,0	0,0	40,0	60,0	100,0	30,2	0,0	0,0	56,2	43,8	100,0	25,3	0,0	0,0	55,6	44,4
NL	100,0	0,0	1,3	5,2	14,3	85,7	100,0	0,0	0,1	1,0	37,8	62,2	100,0	0,0	0,1	2,1	31,5	68,5
NO	100,0	0,0	53,5	3,0	4,0	96,0	100,0	0,0	77,1	1,0	3,4	96,6	100,0	0,0	63,7	0,9	15,6	84,4
PL	100,0	0,0	5,3	13,8	0,0	100,0	100,0	0,0	8,1	7,1	0,0	100,0	100,0	0,0	8,5	8,9	0,0	100,0
PT	100,0	0,0	0,0	12,9	96,8	3,2	100,0	0,0	0,0	1,2	84,5	15,5	100,0	0,0	0,0	2,0	96,3	3,7
RO	100,0	0,0	0,0	0,0	80,0	20,0	100,0	0,0	0,0	0,0	37,8	62,2	100,0	0,0	0,0	0,0	56,4	43,6
SK	100,0	0,0	83,3	0,0	0,0	100,0	100,0	0,0	57,1	0,0	0,0	100,0	100,0	0,0	75,2	0,0	0,0	100,0
SL	100,0	0,0	86,7	0,0	0,0	100,0	100,0	0,0	97,4	0,0	0,0	100,0	100,0	0,0	95,9	0,0	0,0	100,0
SV	100,0	0,8	48,8	7,3	39,8	60,2	100,0	5,0	77,8	1,4	48,4	51,6	100,0	0,8	85,9	1,2	43,2	56,8
UK	100,0	0,0	0,4	13,5	100,0	0,0	100,0	0,0	0,2	2,4	100,0	0,0	100,0	0,0	2,3	3,0	100,0	0,0
EU	100,0	1,6	20,9	11,4	49,2	50,8	100,0	4,5	30,8	2,6	61,4	38,6	100,0	6,5	35,8	4,5	58,8	41,2
13 NMS - PL	100,0	1,1	37,4	3,3	19,8	80,2	100,0	0,9	67,6	0,1	8,6	91,4	100,0	0,3	58,2	1,8	18,4	81,6

Table 2

EMPLOYEE REPRESENTATION ON BOARDS AND BOARD STRUCTURE IN THE 2.190 LARGEST EUROPEAN LISTED COMPANIES IN 2013

	COMPANIES						CAPITALIZATION						EMPLOYMENT					
	Companies	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure	Capitalization (million €)	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure	Employment	Employee shareholders representation on Boards	Employee representation on Boards	Executive owners representation on Boards	One-tier Board structure	Two-tier Board structure
AT	40	0	31	5	0	40	74.546 €	0 €	71.179 €	3.097 €	0 €	74.546 €	486.757	0	462.260	86.279	0	486.757
BE	53	0	0	6	53	0	219.846 €	0 €	0 €	2.491 €	219.846 €	0 €	568.518	0	0	8.116	568.518	0
BG	7	0	0	0	1	6	1.068 €	0 €	0 €	0 €	196 €	873 €	18.487	0	0	0	3.945	14.542
CH	157	0	3	12	30	127	1.020.181 €	0 €	19.240 €	32.133 €	470.398 €	549.784 €	1.800.783	0	21.826	45.706	614.229	1.186.554
CY	5	0	0	2	5	0	663 €	0 €	0 €	33 €	663 €	0 €	27.600	0	0	6.375	27.600	0
CZ	6	0	3	0	1	5	22.682 €	0 €	20.836 €	0 €	417 €	22.264 €	66.650	0	46.341	0	14.056	52.594
DA	72	0	53	2	2	70	163.135 €	0 €	151.860 €	480 €	1.456 €	161.680 €	430.534	0	380.594	680	6.671	423.863
DE	220	0	138	25	1	219	1.140.380 €	0 €	1.064.894 €	18.857 €	263 €	1.140.116 €	5.514.671	0	5.240.127	76.069	9.284	5.505.387
EE	6	0	0	0	0	6	1.543 €	0 €	0 €	0 €	0 €	1.543 €	14.186	0	0	0	0	14.186
ES	99	0	1	23	99	0	455.424 €	0 €	13.784 €	18.964 €	455.424 €	0 €	1.764.233	0	32.625	442.645	1.764.233	0
FI	65	0	3	2	6	59	130.656 €	0 €	2.565 €	509 €	9.775 €	120.881 €	564.054	0	34.463	1.574	35.851	528.203
FR	248	31	68	24	207	41	1.346.536 €	380.909 €	834.891 €	26.261 €	1.216.359 €	130.177 €	7.541.235	2.162.551	3.835.832	341.787	6.908.975	632.260
GR	53	0	6	17	53	0	43.805 €	0 €	7.116 €	3.839 €	43.805 €	0 €	276.616	0	60.766	37.629	276.616	0
HR	12	0	7	0	0	12	12.830 €	0 €	9.116 €	0 €	0 €	12.830 €	66.418	0	47.243	0	0	66.418
HU	9	0	6	0	0	9	14.751 €	0 €	14.548 €	0 €	0 €	14.751 €	99.588	0	93.435	0	0	99.588
IE	31	1	0	0	31	0	99.350 €	769 €	0 €	0 €	99.350 €	0 €	260.966	3.566	0	0	260.966	0
IT	153	0	0	33	1	152	396.348 €	0 €	0 €	43.576 €	249 €	396.099 €	1.711.152	0	0	130.499	2.038	1.709.114
LT	7	0	0	1	1	6	1.865 €	0 €	0 €	52 €	385 €	1.480 €	12.762	0	0	1.688	3.384	9.378
LU	10	0	0	1	8	2	43.687 €	0 €	0 €	3.081 €	42.732 €	955 €	65.604	0	0	7.047	55.250	10.354
LV	3	0	0	0	0	3	582 €	0 €	0 €	0 €	0 €	582 €	3.373	0	0	0	0	3.373
MT	5	1	0	0	2	3	2.228 €	673 €	0 €	0 €	1.252 €	976 €	6.021	1.522	0	0	3.349	2.672
NL	77	0	1	4	11	66	373.354 €	0 €	328 €	3.661 €	141.113 €	232.241 €	1.852.340	0	2.776	39.777	583.996	1.268.344
NO	99	0	53	3	4	95	225.907 €	0 €	174.258 €	2.280 €	7.708 €	218.199 €	412.027	0	262.337	3.756	64.098	347.929
PL	94	0	5	13	0	94	113.263 €	0 €	9.139 €	8.073 €	0 €	113.263 €	577.791	0	49.174	51.538	0	577.791
PT	31	0	0	4	30	1	51.934 €	0 €	0 €	617 €	43.859 €	8.074 €	331.043	0	0	6.732	318.768	12.275
RO	10	0	0	0	8	2	9.140 €	0 €	0 €	0 €	3.455 €	5.684 €	56.129	0	0	0	31.676	24.453
SK	6	0	5	0	0	6	2.262 €	0 €	1.292 €	0 €	0 €	2.262 €	13.552	0	10.194	0	0	13.552
SL	15	0	13	0	0	15	4.253 €	0 €	4.143 €	0 €	0 €	4.253 €	71.219	0	68.312	0	0	71.219
SV	123	1	60	9	49	74	428.233 €	21.263 €	333.317 €	6.001 €	207.218 €	221.015 €	1.467.535	11.192	1.260.827	17.043	633.577	833.958
UK	474	0	2	64	474	0	2.490.488 €	0 €	5.837 €	60.803 €	2.490.488 €	0 €	7.642.405	0	174.565	228.367	7.642.405	0
EU	2.190	34	458	250	1.077	1.113	8.890.940 €	403.614 €	2.738.342 €	234.808 €	5.456.413 €	3.434.526 €	33.724.249	2.178.831	12.083.697	1.533.307	19.829.485	13.894.763
13 NMS - PL	91	1	34	3	18	73	73.867 €	673 €	49.935 €	85 €	6.369 €	67.498 €	455.985	1.522	265.525	8.063	84.010	371.975

Country codes

AT	Austria
BE	Belgium
BG	Bulgaria
CH	Switzerland
CY	Cyprus
CZ	Czech Republic
DA	Denmark
DE	Germany
EE	Estonia
ES	Spain
FI	Finland
FR	France
GR	Greece
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SK	Slovak Republic
SL	Slovenia
SV	Sweden
UK	United Kingdom
EU	Europe
NM	13 Newest Member States of the EU except Poland