Executive summary

This book sets out to answer two main questions, namely, what is the status quo of the position of Dutch works councils in multinational corporations? And which tools within the Dutch legal framework can be utilised in order to secure the successful involvement of the works council in the decision-making process in light of the increasingly globalised economy?

Much research has been carried out on Dutch works councils in general, mostly by means of an analysis of the appropriate legal framework. Little research, however, has hitherto been conducted on the position of works councils in multinational corporations (MNCs), and, so far, no empirical data has been collected for the Netherlands.

The aim of this study is to examine the position of Dutch works councils in multinational corporations in the context of the tension between globalised decision-making by MNCs, on the one hand, and employee participation at the local level in the Netherlands, on the other. This examination enhances the body of knowledge on the position of Dutch works councils within MNCs, both through the examination of the applicable legal framework and the collection of empirical data. This analysis presented is based on quantitative data through an online questionnaire among (central) works councils and qualitative data through interviews with works council members and management and supervisory board members. Based on the data, an inventory of issues in practice is made and examples of good practice aimed at overcoming these issues are collected.

The study’s findings show that many participation rights are frequently used in practice, but not under all circumstances. Particularly, differences between Dutch and foreign MNCs regarding information and consultation rights are noteworthy; as well as certain corporate governance aspects, such as the application of the structure regime, the presence of supervisory board members in consultation meetings, and the non-use of a number of rights by works councils.

The inventory of examples of good practices further revealed that a multitude of potential solutions are applied in practice. The good practices show that, through negotiation and long-term experiences with participation mechanisms, tailor-made employee participation processes can be achieved. The management, supervisory board and works council respondents overwhelmingly emphasised the benefits of such tailor-made approaches due to their increased flexibility and time-effectiveness.

Overall, the position of the examined Dutch works councils is solid. However, works councils, management and supervisory boards as well as other stakeholders and the legislator need to continue working on several aspects in order to improve the position of works councils and to safeguard their statutory rights – a theme that is emphasised throughout this study.