

How to renew co-determination? The Council for Sustainable Employee Participation in the Netherlands.

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'Not my individual rights, not my liberal freedom, but my responsibility for the other, my clothed freedom underlies society with its laws' (Emmanuel Levinas)

1. Introduction and problem statement

Western labour markets are fraught with uncertainties given the double challenge of technological change and the need to make the economy sustainable. Underlying labour shortages, excessive flexibilisation and high absenteeism call for prudent macro-management and policy-making at national and international levels, and targeted human resources policies and thoughtful decision-making at company level. Decision-making, however, is a complex matter, especially in the case of networked and conglomerate company partnerships. Without focused depth, it remains unclear how decision-making comes about or who influences it. This is a key issue in the discussion on the development of Industry 5.0 and the development of 'voice' mechanisms of workers.

The complexity of organisations is also reflected in the functioning of co-determination and employee participation. Especially in large companies and institutions, the representation of employee participation consists of various layers. So how does a works council achieve good decision-making and advice, and can it do justice to all these different interests and visions? How can we promote conditions that improve the quality of work and the quality of labour relations?

On top of this, the environment of organisations has changed. Citizens have a wider variety of living arrangements. People are living longer through healthier lifestyles health

technology. Socio-cultural diversity has also increased. At the same time, traditional forms of representation have declined: think of participating in associations, trade union membership, church representation. In society, there is a 'trust gap' between traditional forms of authority and citizens (SCP, 2025). Interestingly, citizens do retain confidence in trade unions and the collective agreement, although they are less likely to be members and hitch a ride on services, as it were.

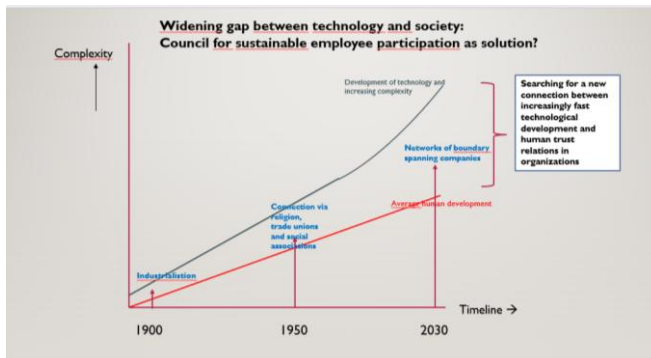


Figure 1. Widening gap between technology and society

New perspectives on democratisation within organisations

Several innovative ideas on the democratisation of organisations are being launched in the recent literature. For example, Spanish professor Isabella Ferreras proposes a bicameral system analogous to the national parliament. In this model, the governance of a company consists of two full chambers: a shareholders' meeting on behalf of the capital providers and an employees' meeting on behalf of the employees. Both bodies have veto rights and full participation in strategically important decisions.

Another proposal comes from Nicolette Loonen, who advocates the creation of a social council within companies. This council represents the company's environment - such as citizens, customers and nature interests - and is also given a say and veto rights in determining the strategic course. This would strengthen the social legitimacy of companies.

Rutger Claassen introduces the concept of corporate social assessment. He points out the presence of perverse incentives in the current system: companies that contribute to social value are now often not rewarded for it, or are even punished. Claassen argues for a system in which companies are actually encouraged and rewarded on the basis of their social added

value, and in which this added value is structurally included in the assessment of performance.

Interestingly, the Dutch debate on democratization of society does focus a lot on institutional innovation: from citizens' councils to 'future designs', youth participation, and new forms of justice in light of climate issues. But within this stream of innovation, one area remains conspicuously silent: the future of co-determination. And that is precisely what this paper is about, in which we propose the establishment of a Council for Sustainable Employee Participation.

Problem statement

The works council (OR) in Western countries historically arose from a legal need for correction: employees were in a subordinate position to the employer and were therefore granted formal rights to compensate somewhat for that inequality. The relationships in a company are those of subordination and implementation of the employer's instructions.

There has long been a central thesis in the Dutch literature that works councils have become increasingly mature since their establishment (Goodijk, 2008). However, we note that compliance with the law lags behind and the environment of organisations is changing. We therefore want to take a step further and argue for a change in the works council in the form of a Council for Sustainable Employee Participation, which explicitly considers, firstly, the organisation's decision-making process, secondly, the relationship with the environment and, thirdly, the need to be socially innovative in the workplace.

We base our perspective on a relational perspective on the real economy, taking into account the position of 'the other'. If values such as the working community, multiple business outcomes, personal flourishing and collective well-being matter, then the position of all stakeholders in an organisation counts. Achieving that value requires exploration of institutional innovation within the exploitation of current co-determination practice (March 1991). We do this by discussing and exploring new ideas.

In this contribution, we evaluate question which forms of democratic renewal are conceivable and necessary in the practice of co-determination in the Netherlands? In this

context, what are the characteristics of a Council for Sustainable Participation and under which horizontal and vertical conditions can such a Council function well?

Structure of the text. We start with a brief theoretical exploration of institutional dynamics in co-determination. We then present the content of our manifesto. We then turn to empirical exploration in the form of a quantitative survey and qualitative case studies of six organisations. We then discuss two even more far-reaching innovations: covenants, the jury model and the certification of work council professionalisation. Finally, we draw conclusions on the ten-step approach in this paper to enhance the opportunities and possibilities of co-determination innovation in the debate on Industry 5.0.

2. The starting point: the jammed routine of co-determination

The function of the works council in the Netherlands is to promote all corporate objectives in the economic, social and societal fields. According to Article 2 of the Works Councils Act, WOR, the works council must stand up for the interests of working people and for the company. To this end, regular consultations are held with the company management, usually the director.

The development of works councils in the Netherlands began even before World War II with informal staff councils, in which employees organised themselves to have a say in company decisions. After the war, this endeavour was legislated with the introduction of the first Works Councils Act in 1950, which formally recognised the right to co-determination. A major expansion of rights followed in 1971, including the advisory right, and the right of consent was introduced in 1979, further strengthening the position of works councils. Nevertheless, the recent celebration of 75 years of the WOR emphasises that full employee participation has only really existed since 1980, as relations between employees and employers within corporate decision-making have become more equal since then (Manshanden, 2025).

Employee participation is generally considered important by almost all stakeholders, according to recent compliance research commissioned by the government. There is support among employees and directors. Also, the compliance survey on the Works Councils Act finds that only 69 per cent of all organisations with more than 50 employees have a works council.

Thus, compliance with the law lags behind. Among organisations with between 10 and 49 employees, 74 per cent do not have a works council or employee representation (SEO, 2023). And yet there are urgent reasons to think about the future and renewal of our work organisations.

We conclude that co-determination is a daily practice of mature consultation between company management and employee representatives. At the same time, there is the impression that employee participation is too much routine-based: standing practice gives the impression that we shape employee participation 'because we have to, it's in the law, so that's why we do it'. But we cannot ignore the fact that compliance lags behind and many companies face major challenges in technology, in staffing and in relating to their environment.

Institutional reflection: why renewal is needed

In the literature, the development of works councils has been elaborated as a change process in stages, in which both the role of the participation and the relationship with the board changes. In his analysis, Goodijk distinguishes four types of co-determination: aloof, reactive, constructive and participatory co-determination. The establishment of works councils by law, does not immediately lead to a fully-fledged substantive consultation practice.

The first phase - which we can call the introduction or establishment of the works council - involves the introduction of formal employee participation that is reactive in nature. The works council functions correctly legally, but is actually subordinate and distant from the management. This phase is mainly about securing rights and discussing correcting disadvantages.

In the second transition phase, that of professionalisation, the Works Council gradually evolves from a more reactive partner to a more constructive one. This is not without conflicts (especially in large reorganisations) and the case law of the Enterprise Chamber is also helpful. On average, a more constructive relationship with the management develops, based on mutual respect. The Works Council immerses itself in strategy, organisational developments and wider interests. Goodijk speaks here of the development from reactive to

constructive employee participation. The OR thinks along, takes initiative, but is not yet a full partner in the governance of the company.

The third stage of transition is that of optimisation into participatory employee participation. A mature works council does not limit itself to reacting to management proposals, but thinks proactively about strategic themes such as sustainability, innovation, reorganisations or digitalisation. In doing so, they show insight into the organisation's direction. Their attitude is constructively critical: instead of a conflict model, they adopt a critical but constructive attitude. They seek dialogue, propose alternatives and take responsibility for solutions. There is a culture of mutual respect between OR and management. The OR is timely and seriously involved in important decisions and the board recognises the OR as a full discussion partner.

We recognise this practice from SBI's training and education activities. Mature works councils invest in expertise enhancement, generally work with a multi-year agenda and use external expertise when needed. They function as a professional body within the organisation. They know how to strike a good balance between the interests of employees and the wider organisational interest. They maintain active contact with their supporters, but do not lose sight of the bigger picture.

This maturity usually does not arise automatically, but is the result of years of cooperation, trust-building, and investing in employee participation as a full-fledged force within the organisation. The winner of the SBI Innovation Award 2024 was the company Tiofarma operating in the medical sector. The company grew rapidly and needed to professionalise its relations. The establishment of the works council led to agreements on working conditions and manners being agreed on dialogue with staff. According to the jury report, it is 'Impressive how this or has become so professional in a short time. Since its establishment in 2022, the nine members have set up committees, built an engaged constituency and even concluded a covenant with the director to regulate terms of employment. 'That was a turning point in the cooperation with the director,' according to the works council. Thanks to weekly OR meetings and monthly consultations with the director, the works council is involved in decisions at an early stage, using the 'Navigator method': don't ask, find. Communication with supporters is strong, with regular updates and polls. Young and diverse, with earmarked seats for distribution, this or reflects the organisation'.

Routine or innovation?

Can we understand the broader institutional dynamics of co-determination. As DiMaggio and Powell (1983) explain in their theory of institutional isomorphism, organisations tend to preserve existing structures and forms of participation - not necessarily because they are effective, but because they confer legitimacy, or are simply prevalent within the field. As a result, co-determination can get stuck in routine patterns: reactive, procedural and risk-averse.

Greenwood and Hinings (1996) build on this with their theory of institutional change. They argue that organisations only truly transform when dominant organisational models (archetypes) come under pressure and are replaced by new interpretive frameworks. The CSEP we propose represents just such an alternative archetype: a renewed normative framework for co-determination, which focuses on social innovation, external accountability and technological reflection. By actively working on this new narrative, the CSEP not only counterbalances institutional conformity but also opens up space for meaningful, collective change.

So how does institutional change occur? Streeck and Thelen (2005) have developed an alternative perspective on how institutions change gradually, even when they seem stable at first glance. They provide a useful framework for understanding how institutions - such as the works council - can change despite formal stability. They distinguish several mechanisms of gradual institutional change, such as 'drift' (deliberate unuse or erosion of rules), 'layering' (adding new elements on top of existing structures), and 'conversion' (repurposing institutions with a new function).

3. Manifesto: Council for Sustainable Employee Participation

After several internal talks discussing the findings of international literature (Bertelsman Stiftung, OECD, De Geus) and a reinterpretation of these insight at organization level, SBI released a manifesto in 2022 to strengthen co-determination. We argue for the establishment of a Council for Sustainable Employee Participation (CSEP, *Raad voor duurzame medezeggenschap*, RDM in Dutch). We articulate three reasons why it is important to think about the future of co-determination. CSEP breaks through this inertia by

introducing new norms about what employee participation can and should be in relation to technology, society and work culture. We explain these successively.

1. Making technology humanly manageable in organisational governance

The CSEP contributes to critical reflection on the role of technology in work processes, decision-making and management. The consideration is that the complexity of decision-making in the boardroom is increasing. Companies and institutions work with aggregated data and spreadsheets. The primary process is shifting into the background. More use is being made of generated patterns of data and information. The question is how are they deployed? Moreover, the question is to what extent the human dimension is still included in data-led work? Or conversely, how can the human dimension be strengthened with the help of data? Are we (unconsciously) sucked in by what is technically possible? Do we only follow the algorithms? Is the employee a number, the customer a prospect? Questions such as which human vision, organisational vision and societal vision are at stake are central as far as we are concerned. Employee participation plays an essential role in making information from the work organisation manageable in decision-making and also as a countervailing power in balancing various interests in complex strategic decision-making. To sum up: Where technological systems (such as algorithms, dashboards, HR tools) influence strategic decision-making on work processes, the CSEP in organisation oversees to make these choices transparent, responsible and people-oriented.

2. Responsibility and accountability to the outside world.

Organisations have long since ceased to stand alone. As 'living' entities they are an inseparable part of their environment. The Council for Sustainable employee Participation (CSEP) is socially embedded in the organisation. Expectations from the outside world - customers, relations, chain partners and society - have increased fundamentally. It is no longer enough to be economically successful only, accountability is also required: what is an organisation doing in social and sustainable terms?

Sustainable participation is not limited to looking after internal interests. It connects to external values such as environmental impact, social justice and transparency.

Organisations are expected to be open about their contribution to social goals, such as the Sustainable Development Goals (SDGs) on people, planet and profit.

Accountability here is not a choice, but a requirement.

Subsequently, regional partnerships of companies with other organisations are becoming increasingly important. This involves a growth model: from ambition via a joint agenda to actual cooperation of organizations with their environment. This calls for new agreements and working methods: from getting acquainted to taking control, and eventually transferring responsibilities and competences. Here, trust, involvement and shared ownership play a crucial role.

In this context, the works council theoretically occupies a key position as the representative of the 'ears and eyes' within the organisation and thus the contact point for corporate social responsibility and sustainability par excellence. Employee participation thus becomes a powerful tool for connecting inside and outside, between people and social values.

Social-innovation in the workplace

There is a lot to gain in the workplace. If an organization aims to form a real (business) community of employees, one needs to be social and innovative. This requires a relational view of dealing with employees in the organisation and clear relations with trade unions, if present. Organisations are gradually making a transition from vertical control and a wait-and-see, following attitude of employees (drawn on the vertical axis) to a more horizontal relationship, in which the employer relaxes direct control and hands-over more responsibility to the employee, who also assumes, carries and shapes this responsibility. Of course, this occurs with variation across sectors, especially when new forms of supervision and control are emerging. In the platform economy where strong horizontal relationships exist, control is also strong. In 'ad hoc' economies, on the other hand, there is strong teamwork to achieve results (see figure 2).



Figure 2. The gradual change form vertical to horizontal steering

The CSEP encourages and monitors a work culture in which people have room for initiative, learning, collaboration and meaning. This means attention to workload, autonomy, inclusiveness, team learning and psychological safety. The CSEP brings signals from the shop floor to the strategic level and vice versa. Management will need to know what is going on in the shop floor. That is where craftsmanship is under pressure. New forms of cooperation are required of employees, think for instance of digital cooperation skills, such as interpreting technical instructions. Moreover, in a flexible labour market, knowledge sharing and innovation through cooperation are less obvious. The 2.5 million temporary and flex workers in the Netherlands country are mostly at a disadvantage when it comes to employee participation. Nor is co-determination an important topic when it comes to onboarding, it is often overlooked.

More generally, the grip on work could be better, just look at the high rates of burnout and absenteeism. Shaping a work community is not only an individual responsibility for employer and employee, but also a collective responsibility, where employee representation through a works council can play an important bridging role.

3. Quantitative research

After the composition of the Manifesto, we commissioned a representative survey to assess whether these themes are recognised in practice. The survey was conducted through telephone interviews with a nationally representative sample of directors and Works Council chairs working at organisations in the Netherlands (Panteia , 2022). The net sample includes

204 observations with OR chairs and 208 observations with directors, spread over 10 sectors. In addition, a total of 546 employees participated in the survey. After data cleaning, 523 completed questionnaires were usable, again across 10 economic sectors. This survey shows that consultation takes place regularly in companies and organisations. In one third of organisations, there are formal consultations between the director and the works council every two months, while about a quarter consult once a quarter. In government, healthcare and education, formal consultation is significantly more frequent than in the other sectors.

The topics most commonly discussed during formal consultations are current affairs and everything to do with personnel arrangements and HR matters. Other commonly mentioned topics are: health and safety, finances and the general affairs of the company.¹ Works council and director broadly agree that they share responsibility for good and sustainable policies.

- Insert table 1 -

In general, these consultations are also well appreciated. The response to our questionnaire is positive. On average, directors rate the cooperation between control and employee participation in their organisation with a rating of 7.7. Works council chairmen rate this cooperation with an average of 7.5. Also interesting is the insight that both directors and OR chairmen think employees rate the OR with an average of 6.7. If we ask the employees themselves, it turns out that they rate the OR with an average of 7.3. All in all, a good enough rating.

We drafted questions about the three themes from the manifesto. That survey shows that a majority of directors feel that the subject of strategy and technological innovation is sufficiently discussed with the works council. In fact, a majority of works councils find that they would like to be more involved in strategy on these issues. The Panteia study also concludes that the two other themes from the SBI manifesto (accountability to the environment and social innovation) are considered important. Again, directors are actually more satisfied with the way things are going than Works Council chairmen.

¹ This picture is consistent with the results of SEO's compliance survey (2023).

The survey also shows that young people in particular drop out or feel unrepresented. They do not know enough about participation and choose their own careers. Participation will have to become more attractive. Participation can take various forms. From a youth council to participation as part of your career. Participation can also be given a much more important position in the curriculum in secondary and higher vocational education (from personnel and organisation to business administration and technological innovation). In a general sense, more can be invested in the training of works council members and of administrators active in this field.

4. Course map and experiments at six organisations



With the results of the survey in hand, we then set to work concretely on these challenging developments. To this end, a course map was drawn up; a tool to make economic, ecological and organisational issues more discussable and interlinked for tomorrow's employee participation. SBI has also initiated several activities regarding sustainable action. SBI is an SDG/House, collaborates with the MNO Foundation and SDG Netherlands on the SDG impact code for works councils and realises a training offer on the theme of corporate sustainability. We are also aware that values as mentioned in the Earth Charter and the Inner development goals are important. These are the personal motives of people at all levels in working together in a company.

Experiments at six organisations

We then initiated several experiments, first through the Goldschmeding Foundation and later through SBI. At Goldschmeding, these involved organisations that wanted to shape

sustainable co-determination from the concept of *agapè*, the Greek word for love, which helps organisations balance economic goals, sustainable development and people's well-being. Agapè involves focusing on the flourishing of fellow human beings for their sake.² As a result, resources were freed up to discuss this theme with a dozen companies but the format of the approach proved to be unflexible, and the conclusion was drawn that innovative behaviour doesn't originate from the works council only, but also from the HR board or management.

At SBI, we then further elaborated on the three themes from our manifesto to achieve sustainable co-determination that is future-proof. We found six companies to explore the manifesto with a common thread to discuss the importance of collectivity; involving control and participation of all stakeholders. We recognised that we had to work together to add the value added of organizations in the market and public sector.

Six experiments for sustainable participation

DHL Express. The company was already working on connecting its employee participation with the rest of the company. The question was: how do you ensure that as a works council you are relevant and a reflection of the organisation? Here, we work with small delegations (of 3-4 people) that are put together for each application, based on experience, knowledge and according to their own choice. The executive board takes a coordinating role and is not concerned with the caseload of applications. The purpose of the delegation structure is to have its own learning path as well. Technology is embraced. For example, they work with the Tasks within Teams programme. This environment is accessible to every person involved. Online feedback can be given at any time. This digital application is not perfect but it fits well in the current times and with the current OR. In this process, good variety and diversity is achieved. Involved parties are motivated ('shorter on the ball'), also because of the connection with stakeholders it tries to reach with new information campaigns.

SER. The works council is asking how they can get more sustainability into their policies. For example, when it comes to the renovation of the head office. This sustainability project raises

² Hummels, 'In the eyes of the other', Maastricht University.

the question of how to shape employee participation and connect people, organisation and environment.

Maximum sustainable operations are already in place at several points. The impact of the building turns out to be huge. It is becoming an increasingly comprehensive project, incorporating all facets of sustainability, including impacts and preconditions. The result is that a shared vision of the building's impact on the environment is achieved. An important precondition is to take sufficient time for talks with the director to discuss the complex matter.

The result is also transformative; people start working together on more projects. This approach also feels more 'natural' on other topics. The relationship with the director improves by discussing each other's interests and roles. New OR members now ask the question more often: if we want to work well together, is this the way to go about it? The works council is asking the process question more often: does it match our vision?

Police Operations. The National Police has gone through a major change over the last decade, with the 26 autonomously operating regional forces merging into a national organisation. For several years now, the organisation has no longer worked with a committee structure, but both the organisation and employee participation have been centralised. There are several works councils and a central works council. The Police Operations Works Council represents a large number of departments spread across the country. These include departments such as ICT, HR, Finance and other staff and corps functions. To promote agile behaviour, they started working in small groups. In this process, it was noticed that the Course Map and the concept of Sustainability first led to a broadening of thinking and then to convergence. Several seminal insights emerged from this, according to those involved: does the means fit the end? They also arrived at the key question: how best to connect with constituencies within a complex organisation?

OR province of North Brabant. Here it is about diversity and inclusion. It soon emerges that diversity is not a core issue - diversity is already there - but that inclusion is the real challenge. How do you treat each other respectfully and carefully? How do you promote equality in behaviour? Several training sessions were organised here to think through this issue. Next, the works council developed a new procedure for hiring policy and employee

recruitment and selection. This proposal was then sent to the director, which has not yet received a response. The experiment is currently ongoing. A preliminary lesson from the approach is that strategically putting topics on the agenda requires substantive preparation and a procedural plan of action.

Beaphar. This Dutch supplier of pet food and other products has grown rapidly as a family business and wants to give employee participation a proper place. Here, the exchange between management and works council has been transformed by a strategy of asking questions and answering them. The works council believes of itself that it has practised listening well. A listening ear is a good start, entering into a conversation without judgement, considering a topic from a different perspective and putting oneself in a different position. Especially with director and management team. Good example follows because the works council has learned to communicate better and propagates this within the organisation.

OR UMC Utrecht. The question the university hospital's works council is asking itself is how can they properly participate at the strategic level? The works council members in this project conclude that the management of the University Medical Centre is more complicated than previously thought. A lot of strategic knowledge is needed to make sense of the fragmented issues. Here, the works council breaks down the problems into sub-problems to make them manageable and build bridges between all knowledge areas and departments. One of the tools used is an *issue matrix*, which generates many insights. At the board of directors, there is a tendency to think in terms of spearheads, but communication on why the spearheads are chosen is insufficient, according to the works council. During the process, the works council learned to put issues explicitly on the agenda. By thinking more strategically, we can now be more of a discussion partner and sparring partner on major issues.

5. In-between conclusions

Complex issues require extra commitment from works council members and management. There is always a tension between the daily practice arising from the Works Council Act and sufficient time and energy for new themes. Working together on these new themes increases the value of participation, both for OR members and the organisation. Everyone recognises

the importance of discussing relevant insights and strengthening the organisation's strategic direction through dialogue and dissent.

None of this comes naturally. Firstly, it turns out to be quite difficult for works councils to analyse new topics at strategic level and think along with the board director independently. This requires specific competences and action skills. These are elaborated in an interesting way in the book Blauwdruk (2022) on the formation (nationalisation) of the National Police. There, they wanted to get 'Beyond the rake', and the central works council advocated real professional space for police officers on the street. For the unions, this was a good route. This way, they could negotiate labour relations, job evaluation and legal status themselves.

In our own modest reconnaissance, it appears that at the National Police and at UMC Utrecht, too, a small number of people were able to explore a new strategic position. The large group of works council members were unable (and unwilling) to go along with this. This means that themes such as technology and control, environment and socially innovative working are not automatically discussable within the OR and lead to a new vision. Where this went best is at the SER: a small OR with mainly policy staff. But even there, new OR members found it difficult to join.

Secondly, works councils very easily lapse into day-to-day practice and reactivity. Activism or complaining by no means always helps. Works council members are often lived by circumstances (such as the composition or attitude of director) and are sometimes difficult to steer themselves. Developing the three themes from the SBI manifesto implies making them small and practically manageable for works councils. For this reason, works councils sometimes found it difficult to participate in our exploration: 'isn't it too lofty and is it practical enough? And what should we do with it?' The answer can be found in dividing into manageable phases when developing and implementing a project with clear evaluation moments for judgement and decision-making. The works council has to learn where it stands; knowledge sharing is necessary, otherwise you don't learn.

Thirdly, it involves mutual adjustment. At this point, there is a strong interest of the director concerned. He or she has the legal position to discuss issues and involve the Works Council. He or she must take the lead in this, and that is far from always the case. Works council members can be helpful in this to feed a joint process with arguments that give legitimacy to

the company's course. This requires role clarification and mutual understanding between director and works council, potentially supported by the supervisory board.

We this promote a new role for works council to become *Sustainable Employee Participation Council*. Based on cooperation with and equality to the director and supervisor. Employee participation is given more influence on the organisation's strategy, more responsibility towards the environment and sufficient time and space to invest in the connection between the constituency and the organisation for the benefit of the quality of work.

6. How to proceed?

Legally, the works council has many powers through its information, advisory and consent rights. We think that based on our exploration, a focused plea can successfully be made to amend an article of law here and there. We have passed these suggestions on to the SER and thus to the Dutch cabinet. For instance, the privacy provisions can be tightened up a bit; something should also be done about the representation of flexible staff. AI is a case in point, since the negative consequences of AI must be prevented, while the opportunities for engagement and productivity improvements must be stimulated.

We also note that laws and regulations in the field of sustainable business practices are being tightened (think of the 'corporate social responsibility' regulations) . Regulations in the field of Corporate Social Responsibility (CSR) are currently being tightened considerably, the most important development being the introduction of the CSRD (Corporate Sustainability Reporting Directive) from the EU. This requires companies to report comprehensively and transparently on their impact on the environment, human rights and good governance from 2024-2026. This has direct consequences for co-determination: works councils will have more space and responsibility to structurally put sustainability themes on the agenda, think strategically and ask supervisory questions. In this way, employee participation shifts from internal employee interest to broader social involvement.

However, the proposed amendments do not resolve the inequality between employer and employee. The employer has the mandate to run the company, which is also important for pushing through investments. The supervisory board has the responsibility to appoint and monitor the employer. The works council is at a certain distance in this game, and this also

fits the social market economy model. The roles in the organisation are not equal, but as human beings men and women are equal. In the corporate community, people of all backgrounds, expertise and identities work together towards a common goal.

At the same time, we cannot ignore far-reaching technological developments, a clear responsibility of organisations towards their environment and the demand for sustainable employability of employees. It is about empowerment, about equipping them to be competent and confident.

This begs new questions: how do companies and organisations develop? How do we work together? How do we make the right choices? That means co-determination is requested, made to measure and appropriate to the conditions of the company or institution. Our analysis is that we need to go back to the drawing board. What does the organisation need? Can we arrive at a unique model of democratic representation, which will have specific applications in companies and institutions? To this end, we make three more suggestions, partly inspired by the case studies.

Proposal 1: establish a covenant

The examples we have explored suggest the new working method can only take root in organisations in due time. The idea is: at the start of each works council period, the Works Council enters into a covenant with the director, supervisor and unions. Lay down in it what you want to achieve, how you will work together, which topics will be discussed in the coming period. For instance, on the theme of meaningful work or on the career opportunities of the younger generation of workers. The covenant will also include the works council's multi-year training plan.

Linked to this, we would also like to suggest a future scan of the organisation. Where will the organisation be in one, three, or five years? New technologies can help. Which co-determination topics belong to that scan and which topics does the co-determination bring in? We link a development plan for employee participation to that. It doesn't stop there, because the director also learns how employee participation works.

In addition, the co-determination together with the management-director engages in a second covenant on how management and co-determination work together to revolve a common understanding that the organisation supports the flourishing and well-being of employees.

Several variations on this theme are conceivable. In the cleaning industry, for example, everything was set aside a few years ago to put dignity at work on the agenda. This approach was initiated by trade unions and works councils and taken up by managers, who operationalised and applied this theme in the workplace as well as in companies' market behaviour.

An example of a different nature is the growth of patient and client councils in the care and welfare sectors. This is redefining the client perspective and bringing it into the operations and working methods of healthcare organisations.

Some organisations work with an environment council. A good example is the VET-school in Den Bosch that has set up an environment council to improve the curriculum with advisory, information and consent rights (compare the idea of a social council, Loonen 2022) .

Proposal 2. Explore the jury model

The secular interpretation of legal systems is a topic issue worldwide. Secular justice or lay justice comes in all shapes and sizes and has long historical roots.³ Today, we see the rise of citizen participation in public administration, where new forms of participation and control are being experimented with.

It is quite conceivable to explore new democratic variants of representation in employee participation as well, in which all employees have a direct or indirect responsibility. In the composition of works councils, forms of juries, joint committees and experts could play a role. This issue concerns the legitimacy of the works council and also whether the

³ Much literature exists on this topic. We rely mainly on the empirical study by Helm (2024) that discusses modalities of jury trial in criminal law.

participation of working people properly enhances democracy and decision-making within the organisation.

A jury model should result in all relevant facts from the shop floor coming into focus, allowing a careful narrative of the interests and position of working people in an organisation to be established. This should aim to find practical solutions to strategic issues. Very often, self-management and self-organisation of workers will be able to facilitate these insights, but in some cases the interests extend beyond the boundary of a team or department. In such cases, centralisation of decision-making is relevant.

The legal rationale behind the jury model is that, in principle, all working people have a voice in decision-making. The rule for the composition of a jury is usually that it should reflect employees. In many cases, the requirement for reaching a jury verdict is unanimity of votes. The objection is that this leads to indecision and excessively lengthy proceedings, but this may vary from one legal system to another.

An example of this is the selection of employees at Eneco, which works with a relatively small-sized works council whose members are carefully selected from the workforce.

An example of a very different nature is the method of 'Onboarding nature'. Here, the theme of sustainability is brought into the decision-making of organisations as the voice of the organisation's stakeholders, and thus of the outside world. One of the questions in ongoing experiments with this way of working is which rights would fit the sustainability theme: advisory or also co-decision making?

Proposal 3: Certification of the quality of participation - a growth model for professional maturity

Currently, measuring and interpreting the quality of co-determination is underdeveloped. While there are initiatives such as the SCOOR-RMZO quality mark for trainers, these provide limited insight into how the practice of co-determination actually develops in organisations. There is no widely supported and recognisable framework for professional maturity with which participation bodies can provide insight into their development and impact.

Bennett and Claassen refer to 'corporate social assessment'. We propose to limit the assessment to the organisation's employee participation and governance. We are thinking of working with a quality ladder of, say, 5 to 7 steps, in which the professionalisation of employee participation is made visible. This model would enable organisations to profile their OR or form of participation along a development path to allow for competence-enhancing innovation: from a basic level (functional and legally correct) to a strategic and innovative expert level.

This ladder need not be applied uniformly: organisations can differentiate by theme. For example, a works council may focus on strategic consultation in one phase, while another one may focus on transparency to the outside world, or on renewing participation on the shop floor. Instead of a single generic hallmark, we propose a profiling model, in which the OR agrees with the director on the substantive priorities for the coming period. Think of a 'pharmacy cabinet' model in which organisations can choose different modules from the manifesto and be tested or certified on them - depending on their context and ambitions.

This proposal dovetails seamlessly with the above proposal on procedural agreements: the certification model can become part of structural agreements on the development of employee participation. This proposal can also tie in with new forms of voting rights: the model offers room for organisations experimenting with broader participation (e.g. employee panels, digital voting) and aims precisely to reward this innovation as a sign of maturity.

A certification model thus makes visible that participation is more than compliance with rules - it is a form of democratic governance in organisations. By working with a staircase of professional maturity, we can learn, inspire, and account for it. And perhaps more importantly, we give recognition to the many variants in which modern co-determination evolves.

7. Discussion: Towards a democratisation of the corporation

Employee participation in the Netherlands is at a stage of maturity, at the same time legal compliance lags behind and existing rights are under-used. We have referred to this practice in this paper as highly institutionalised - it changes slowly and is subject to isomorphism:

organisations copy each other. As a result, there is functional erosion of existing institutions. Traditional employee participation is less and less in line with current working practices (think autonomy, self-management, digital collaboration), but remains largely unchanged in form. Even when there is a desire for change, action remains stuck within a legally defined framework.

As SER president Kim Putters recently stated, 'In a polarised world, sharing power and social support is an important value. But that requires a lot from everyone. It is give and take, trust each other, commitment... So it is not about focusing only on costs or shareholder profit. It should also be about developing employees and contributing to a healthy living environment. There are no ready-made solutions.... It doesn't happen by itself' (invited lecture 2025).

Dependence on individuals indicates the lack of institutional space or legitimacy for change. We have therefore put forward a proposal to create a Council for Sustainable Employee Participation. The CSEP is embedded in the organisation as a partner in dialogue, contributing to both the quality of decision-making and the social legitimacy of the organisation. This phase is no longer just about participation, but about co-responsibility for what good and sustainable organising means. It is a form of mature co-determination.

Therefore, we added new rules or practices to existing institutions without formally replacing them. Our proposal was developed into a manifesto proposing this new form of co-determination. This manifesto is supported by a stakeholder survey (showing support) and case studies examining practice. These case studies show both the tough routine of existing employee participation and openings for innovation.

The case histories show that the company is not merely an economic unit, but a social community - at the individual level, in teams, and as a whole. In this context, participation is not an afterthought, but a fundamental principle that deserves strengthening, both at the organisational level and in national policy.

Our ambition is to maximise employee engagement, where connectedness and responsibility go hand in hand. This requires a culture of mutual 'seeing': recognising the other, existing in relation to each other, being open to mutual adjustment. In the workplace, this means investing in professionalism, trust and shared standards of professional quality.

While technology plays a major role in digital transformation, the focus is on people - not technology as an end in itself. In a time of increasing polarisation, new forms of social connection are needed. Everyone has unique core qualities; everyone contributes in their own way. Harnessing that diversity is essential for an equitable and resilient organisation.

At the same time, we do not want to get stuck in old patterns. The complexity of strategic issues and the speed of successive social crises make it clear: there is an urgent need for high-quality consultation. This calls for a redesign of the institutional structure of co-determination, as advocated in SDG 17, 'Partnerships for the goals', of in this case the quality of corporate decision-making.

We have previously made suggestions for legal corrections regarding privacy and artificial intelligence, among others. But those who really want to change practice must also be prepared to develop new forms of coping, consultation and language - at the organisational level and in the wider social debate on the quality of work and democratic decision-making.

Theoretical conclusions: a ten-step formula for social innovation for works councils

The Council for Sustainable Employee Participation (CSEP) describes an interesting case study in which the routinely organised field of practice of employee participation is being renewed by an alternative idea. We have inductively developed a Formula for Social Innovation for works councils: 1. Shaping ideas based on the international literature -> 2. Testing and refining these ideas from the work floor -> 3. Drafting a Manifesto -> 4. Finding institutional support among established organizations to back-up the idea -> 5. Researching the data via a survey -> 6. Finding room for experimentation -> 7. Drawing in-between conclusions -> 8. Initiating a new round of experiments -> 9. Drafting a theoretical evaluation -> 10. Advise on how to improve.

Although this new idea is widely supported from national trade union and employer associations, its realisation remains dependent on a small number of individuals. This type of change is consistent with several theoretical perspectives from the innovation and organisation literature.

Exploitation and exploration in tension

We can interpret existing routine co-determination as a form of exploitation: the incremental exploitation of existing structures, rules and forms of consultation. Our interventions bring exploration to this: the more radical development of new formats, roles and relational practices that deviate from what is 'normal'. This creates a field of tension. As known from innovation literature (March, 1991), this tension often leads to inertia or fragility. Indeed, when faced with uncertainty, organisations tend to fall back on the familiar - a phenomenon known as 'exploitation bias'.

Layer-to-layer innovation: innovation without degradation

The alternative practices we bring in - including the Manifesto and new forms of co-determination - are an additional layer to existing consultative structures. This can be understood as layer-on-layer innovation: experiments that take place alongside and on top of formal structures, without abolishing them immediately. This is difficult for those involved who also have to carry out their 'regular work'. The aim of the experiment is to transform and reposition existing institutions (see: conversion, Streeck & Thelen, 2005). In this way, we strengthen the legitimacy of co-determination by adapting it to changing social and organisational contexts, without undermining its foundation of representation and legal protection.

Strategic renewal requires structural protection and support

The case also shows an organisational form, in which both exploitation (management of the existing) and exploration (development of the new) are institutionally supported. There is a risk that the innovation idea clashes with existing routines and is not given a formal bed, leaving the initiative vulnerable and not scalable. As Hirschman (1991) argued, we cannot assume that a small innovative idea will automatically be recognised and acknowledged nation-wide. Different types of innovation (routine, disruptive, radical) thus require different strategies (Pisano, 2015). Therefore, to promote further development, 'crazy ideas' deserve support. Bahcall (2019) speaks of strategic 'loon-shots': a strategic innovation focused on governance and decision-making within organisations. The fact that the initiative remains dependent on a few individuals indicates a lack of structural protection. There is no obvious or natural mechanism that shields the innovation idea from the dominant routine. It is therefore necessary to establish structures that can allow such ideas to mature - apart from

the host organisations where we conducted the cases. This is why SBI has taken these cases forward by exchanging and enriching experiences among ourselves.

Intrapreneurship and structural anchoring

What also becomes clear: co-determination innovation is only possible with sufficient 'intrapreneurial drive': a few committed works council members are needed willing to introduce a new perspective. But without formal support in the form of budget, time, mandate or procedures, the initiative remains stuck at the level of individual enthusiasm. Theoretically, this fits within the problem of scaling innovation (Van de Ven et al., 1999): without structural anchoring, innovation becomes ad hoc and its impact remains limited.

Proposal: from experiment to structure

To support this bottom-up innovation, three proposals have been made by us:

- Work with covenants - for structural agreements with the organisation on experimental space.
- Renew voting procedures - enabling new forms of participation in which all employees participate.
- Certify co-determination- create a framework for the quality and professionalisation of co-determination practice.

SBI is not dwelling on today. These proposals help build a structure in which innovative co-determination can mature, learn and grow - not despite, but because of, the tension between old and new. Our ideas mentioned above will be taken up with those involved in co-determination and governance. Our motto remains that an organisation is a working community of people. We will have to keep feeding it in the appreciation of cooperation in confrontation with the changing context. That requires balancing in constant motion between participation and control.

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SBI operates in the field of employee participation as a House of Industrial Relations with SBI Formaat, OR Consultancy and the Wissema Group. All three organisations focus on strengthening the working community. Our fourth organisation Odyssee deals specifically with 'life events' in working communities.