

**SURVEY ON THE STATE OF SOCIAL
DIALOGUE AT THE COMPANY
LEVEL**

SERBIAN REPORT



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ABOUT THE SURVEY

The main goal of the survey is to obtain relevant information on current situation in the field of employee involvement in companies' decision making process and social dialogue in candidate countries Macedonia, Montenegro and Serbia. The survey focuses on gathering basic information in order to define the level of development of employee involvement in each candidate country. Obtained information helps the partners to plan and prepare tailor-made activities for know-how transfer (study visit and workshops) regarding adaptation to particular situations in individual countries.

National report includes Serbian companies. Also, comparative report and two additional national reports, i.e. for Macedonia and Montenegro, are available.

METHODOLOGY

A web survey was used as methodology for data collection. The questionnaire was adapted to three languages: Serbian, Macedonian and Montenegrin. Special emphasis was made during the translation phase, to provide as unique and unambiguous questions as possible in each language and so to provide reliable and valid comparison between countries. For these purposes the same questions were adapted in all languages.

The survey was mailed to app. 2700 contacts per country, response rate was app. 6%. The sample used in the survey was restricted to reachable members of employer associations, what does not make the sample totally random.

During data collection, general ethics of research were applied, which should provide the highest level of anonymity.

The first set of the questionnaire contains general questions about characteristics of the companies (sector of activity, size and ownership structure), the second focuses more on gathering the information about the trade unions at the company level and collective agreement within them. The third set focuses on works councils and the social dialog. The questionnaire consists of 12 questions, but not every respondent answered all the questions. If a respondent answered that their company does not have trade union or works council, they were not able to answer questions related to these two categories.

Almost every question in the questionnaire contains the option “no answer” for a case when the respondent had no answer either because they were unable or unwilling to answer. This allows respondent to have free choice of answering and it underlines voluntary participation in the survey. All the questions in the survey were mandatory, so every respondent had to answer every question. This is why the option of “no answer” is important to avoid the confusion or early resignation from the research.

ANALYSIS

Analysis of the survey sample is represented in the first chapter. All analyses in this report are made with emphasis on comparing companies on the basis of their size. The analysis reveals how companies involve their employees in decision making process and social dialogue.

The first part of analysis involves basic information about the companies; the second part concerns trade unions and their role in the companies, including the collective agreement at the company level. The third part relates to works councils and their role in social dialog.

The missing answers (when the respondents chose the option “no answer”) were excluded from the analysis. Therefore every analysis contains the data of the size of the survey sample

of the individual segment (the size of the company). If the respondent early withdrew from the survey, they were included in the analysis with answers that they provided. Therefore the number of respondents varies from question to question. If respondents, who have not completed the survey in full, would be excluded from the sample, the sample would be diminished, which is avoided by proper treatment of missing values in the analysis.

SUMMARY

Despite the relatively high responsiveness, the number in the key segments of the analysis is quite low. The reason for this state is that most of the companies do not have trade union or works council organized at the company level. The results of the analysis are therefore necessary to be interpreted with caution. It is necessary to find answers as to why the situation is such.

As already mentioned, most companies do not have trade unions organized at the company level. The trade unions are most common among larger companies. The assessment of the trade unions' role is rather negative than positive and is the highest among smaller sized companies. Most of the companies have a collective agreement concluded with trade unions; the most common topic in collective agreement are wages. Very few companies have works councils organized at the company level, which are most common among smaller sized companies, but not among larger sized companies. The works councils most often play roles of consulting; their role is rather positively than negatively assessed. The most common topic of dialogue with works councils are also wages. A quarter of companies claimed to have some other form of social dialogue, which is mostly related to group meetings with employees.

SURVEY SAMPLE DESCRIPTION

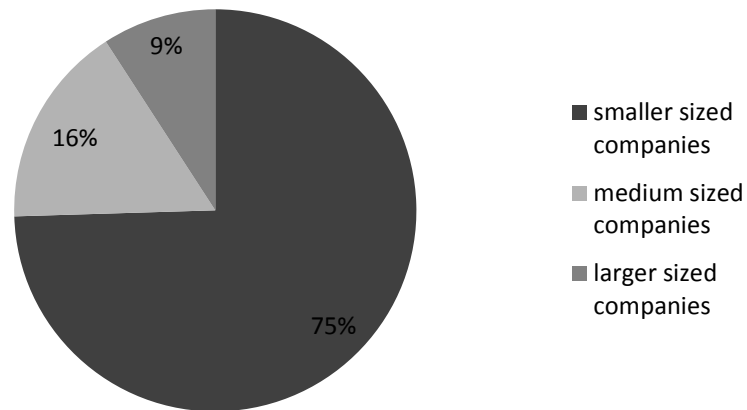
The sample is biased which is demonstrated by the fact that the sampling frame includes only members of employer associations, which does not totally reflect the population. This fact must be considered when interpreting and generalizing the results. Incomplete answers were treated as missing values, appropriately recoded, and excluded from analysis.

The complete survey reached 477 respondents from Serbia, Macedonia and Montenegro. Serbian companies represent 34% of total response rate.

There were 161 Serbian companies that responded, but all of them did not complete the questionnaire in full, and that is why numerus varies from question to question.

Regarding the company size (expressed as number of employees), there is the highest share of smaller sized companies (75%) included in the Serbian sample, where more than a third of the sample (39%) represents companies with up to 10 employees, and a bit less (36%) represents the companies that have between 11 and 50 employees. The medium sized companies, which are the companies that have between 51 and 250 employees, are represented by 16% of the Serbian sample. Only 6% of the Serbian sample are larger companies with more than 250 employees.

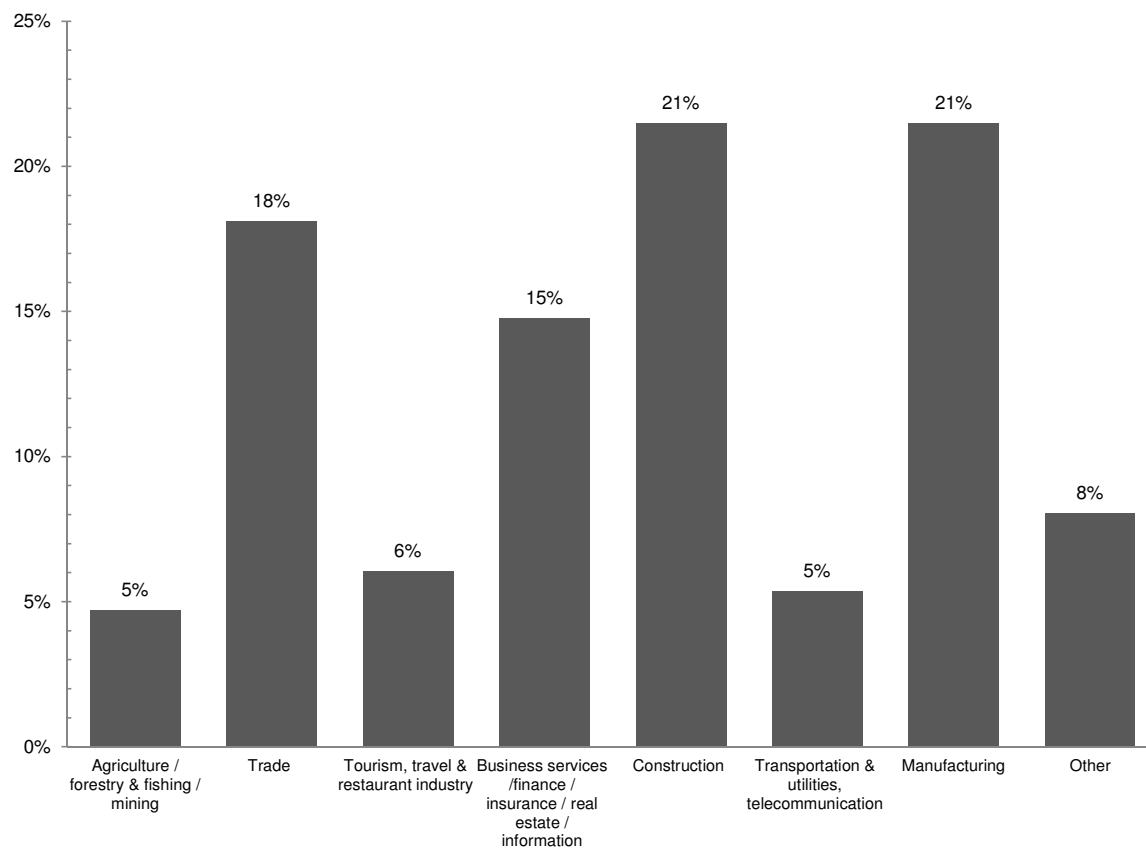
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Picture 1: Companies regarding the size (n=153)

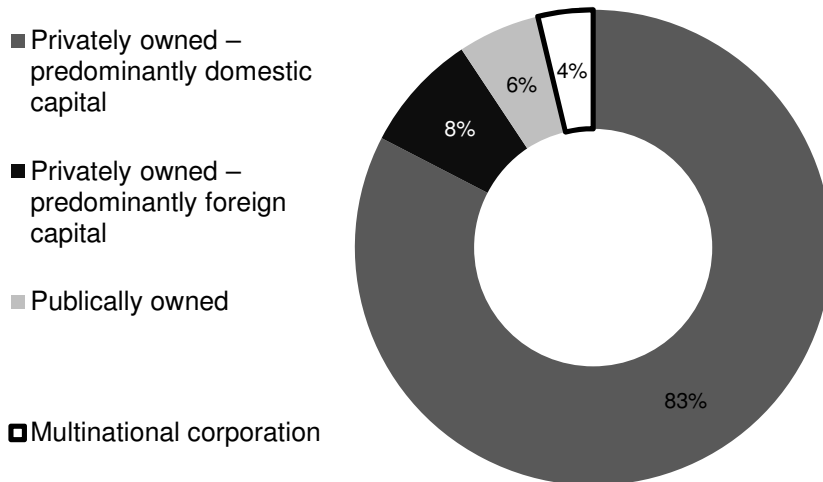
The highest share of the companies (21% each) represents construction and manufacturing sectors. A very high share is also represented by the trade sector (17%). Business services, finance, insurance, real estate and information are all considered as one category, representing 14% of the sample.

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Picture 2: Companies regarding the sector of activity (n=149)

In the context of the ownership structure, most of the companies are privately owned – 83% by predominantly domestic capital and 8% by predominantly foreign capital. Only 6% of the companies are public companies, and the rest (4%) are the multinational corporations.

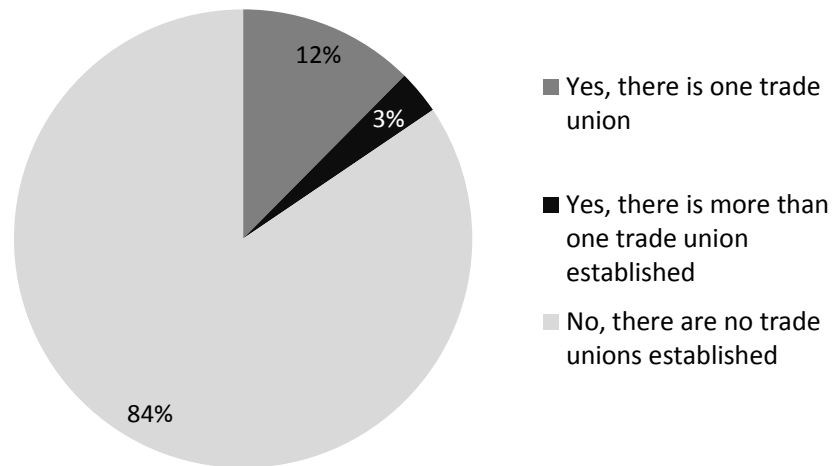


Picture 3: Companies regarding the ownership structure (n=161)

TRADE UNIONS

Survey was focused on the presence of trade unions at the company level and social dialog within companies with organized trade unions. The first question, which is selective, is *Do you have a trade union organized at company level?* If respondent answered that there is at least one trade union organized at the company level, they were asked three more questions related to trade unions. These questions were answered by only 25 respondents.

Serbian companies mostly don't have any trade unions organized at the company level (84%). Only 15% of the respondents stated that they have trade unions, where only 3% have more than one trade union organized at the company level.



Picture 4: Trade unions organized at the company level (Do you have a trade union organized at company level?) (n=161)

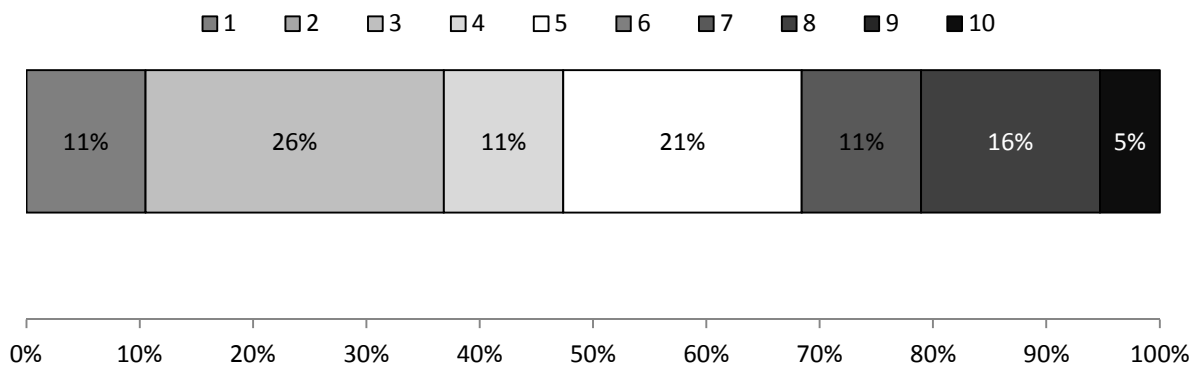
Taking into account the size of the companies, the results are fairly predictable. The larger the company, the bigger the possibility of having established trade unions. As shown in the picture below, mostly larger sized companies claimed having organized trade unions, where 36% of larger sized companies have one trade union and 21% of them at least two trade unions established at the company level. There are 91% of smaller sized companies that have no trade unions, and 84% of such are within medium sized companies. There are no entities in smaller and medium sized companies which have more than one trade union.

	smaller sized companies (n=114)	medium sized companies (n=25)	larger sized companies (n=14)
Yes, there is one trade union	9%	16%	36%
Yes, there is more than one trade union established	0%	0%	21%
No, there are no trade unions established	91%	84%	43%

Picture 5: Trade unions organized at the company level regarding the company's size (Do you have a trade union organized at company level?) (n=153)

How are Serbian companies estimating the trade unions' role in the company? Respondents made estimations on the 10-point scale, where higher score reflects more positive estimation of the trade unions' role.

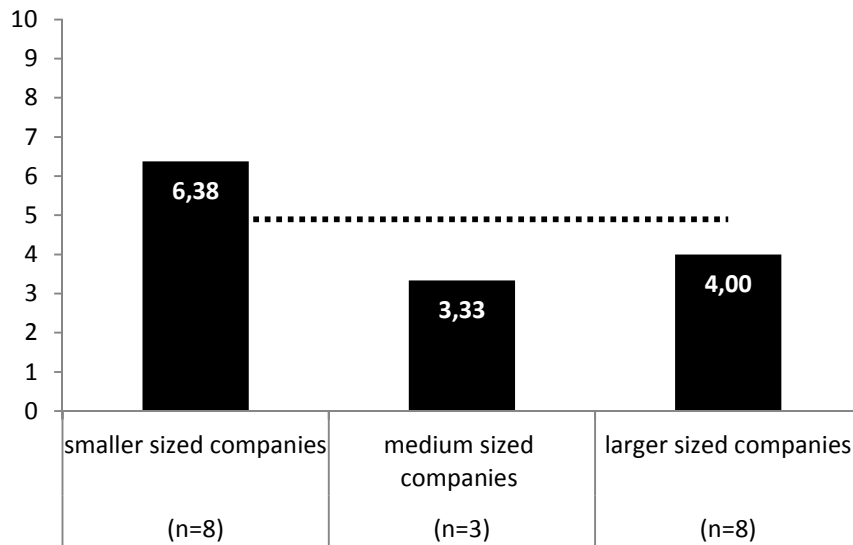
The average rate of the trade unions' role is 4.89 on 10-level scale. More than two thirds (69%) of respondents estimated the trade unions' role with the rate lower than or equal to 5. Those respondents most frequently estimated the trade unions' role with the rate of 3 (26%). Respondents who estimated the trade unions' role with the rates higher than 5 (32%) most frequently estimated their role with the rate of 8 (16%).



Picture 6: The estimations of the trade unions' role in the company (How do you estimate the trade union's role in the company?) (n=19)

The trade unions' role estimation among smaller sized companies (6.38) is significantly higher than among medium (3.33) and larger sized companies (4.0), and it also exceeds the average of Serbian companies. The average role rate (4.89) is presented by dashed line in the picture below.

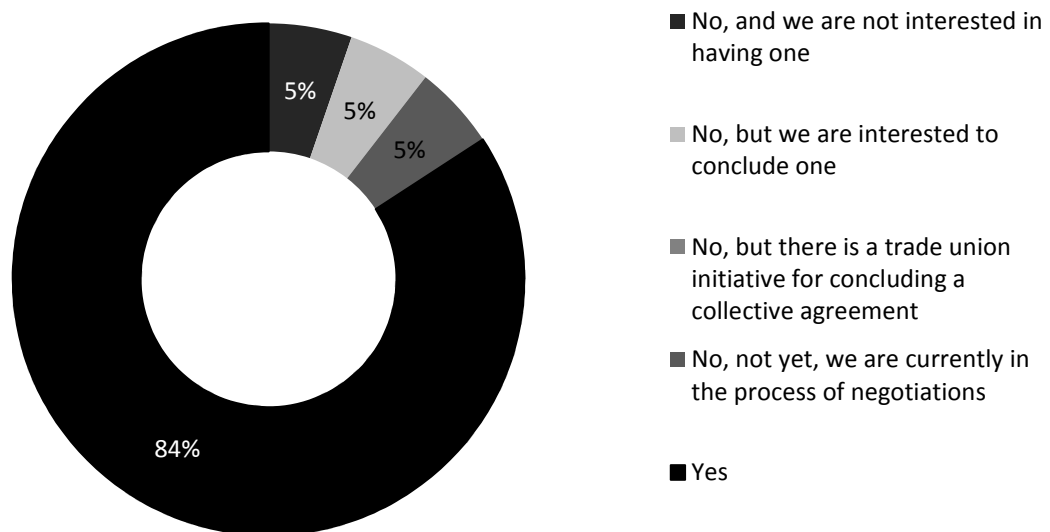
The trade unions' role rate is the lowest among medium sized companies. A small share of smaller and medium sized companies answered this question, as there is a small share of those who have organized trade unions. There is also a small number of larger sized companies included in the survey. However, the numerus is very small, so results must be considered as not reliable.



Picture 7: The estimations of the trade unions's role in the company regarding the company's size (How do you estimate the trade union's role in the company?) (n=19)

THE COLLECTIVE AGREEMENT

The respondents with trade unions established at the company level were also asked about the collective agreement concluded at the company level. There were four possible explanations available, represented in the picture below.



Picture 8: Collective agreement at the company level (Do you have a Collective agreement concluded at company level?) (n=19)

As presented in the picture above, 84% of the companies which have trade unions stated that they also have concluded collective agreement. The rest of the companies claimed that they do not have a collective agreement yet, but are currently in the process of negotiations (5%) or are either interested to conclude one (5%) or not interested in having one (5%).

Regarding the company size, all medium sized companies that have trade unions also have concluded collective agreements. There are 86% of larger sized companies with trade unions established and with collective agreements. However, the rest (14%) of the larger sized companies are currently in the process of negotiations. A collective agreement is less widely represented among smaller sized companies (78%), among which 11% are interested to conclude one or not interested in having one. Although the numerus of answers is small, it shows that collective agreements are concluded within trade unions, if they exist.

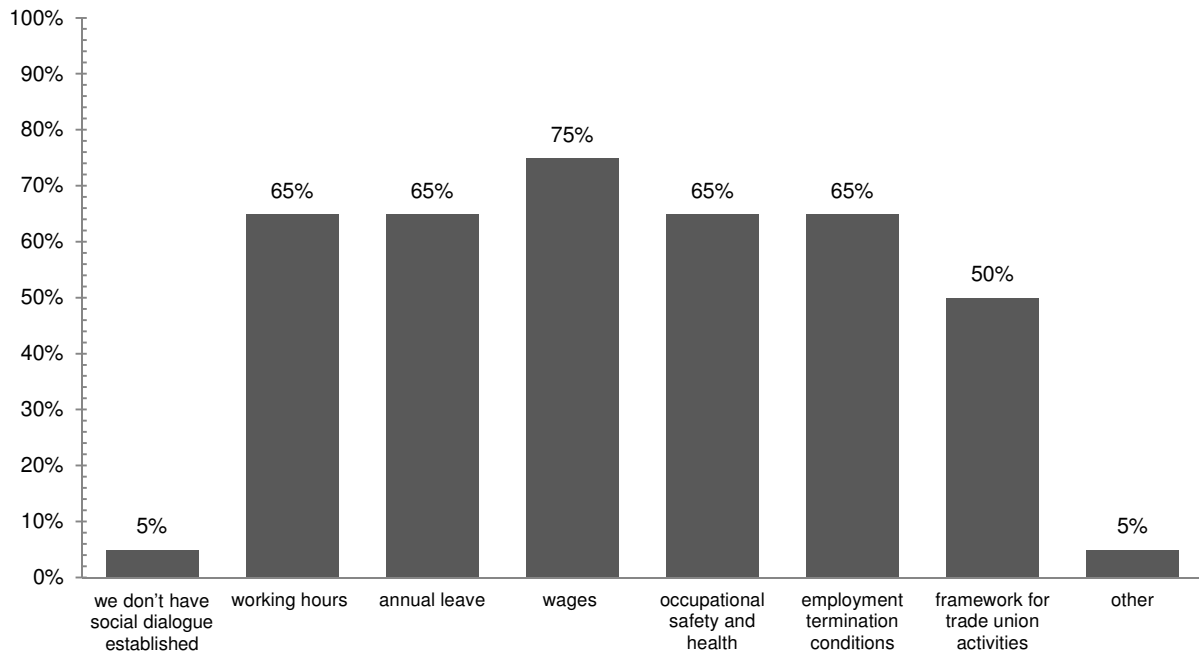
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	smaller sized companies (n=9)	medium sized companies (n=3)	larger sized companies (n=7)
No, and we are not interested in having one	11%	0%	0%
No, but we are interested to conclude one	11%	0%	0%
No, but there is a trade union initiative for concluding a coll	0%	0%	0%
No, not yet, we are currently in the process of negotiations	0%	0%	14%
Yes	78%	100%	86%

Picture 9: Collective agreement at the company level regarding the size of the company (Do you have a Collective agreement concluded at company level?) (n=19)

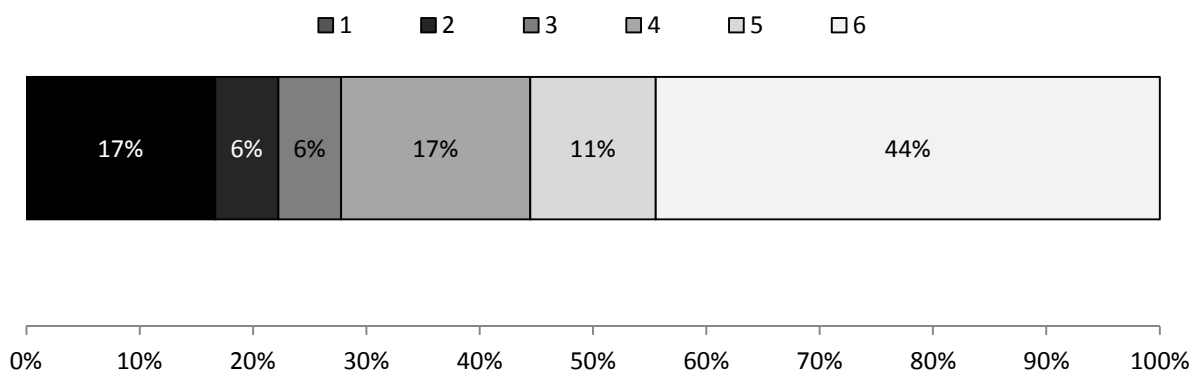
Most common topic in collective agreement with trade unions are wages (75%), but also working hours, annual leave, occupational safety and health, and employment termination conditions occur frequently (each with the share of 65%). Half of the companies also stated having a framework for trade union activities as a topic in collective agreement with trade unions. There are only 5% of the companies that have some other topic in collective agreement. The companies that concluded collective agreement with trade unions, but do not have social dialogue established, are represented by 5%. The sum of the shares exceeds 100%, as multiple responses were available.

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Picture 10: The main topics in collective agreement / social dialog with trade unions at the company level (What are main topics in collective agreement / social dialogue (with trade union at company level)?) (n=20)

As it was possible to answer this question with multiple responses, the shares of the respondents who had chosen a certain number of topics are presented in the picture below.



Picture 11: The share of the respondents choosing a certain number of offered topics (What are main topics in collective agreement / social dialogue (with trade union at company level)?) (n=18)

Almost half of the companies (44%) stated that all offered topics (6 topics) are a subject of social dialog with trade unions. There are also 17% of the companies that have 4 topics as

the subject of social dialog, and only 1 such topic with the same share. To a lesser extent occur the companies which have two or three topics in the dialog with trade unions (6%), and those who have 5 offered topics (11%).

According to the size of the companies that have concluded collective agreement, the topic “working hours” is more common among medium sized companies (75%), whose all possible topics are evenly distributed. The topic “annual leave” is more significant for larger sized companies (88%) than for medium and smaller sized, and is at least likely to occur among smaller sized companies (38%). The topic “wages” in collective agreements is more common among larger sized companies (88%); however, the share of companies with this topic is also high among medium (75%) and smaller sized companies (63%). The topic “occupational safety and health” is at least present among smaller sized companies (50%) and with 75% among medium and larger sized companies. Significant difference occurs with the topic “framework for trade union activities” which is one of the most common topics in the collective agreement among larger sized companies (88%), and is less specific for medium sized companies. Medium sized companies include this topic in 75%, but it is not present in the collective agreement of smaller sized companies at all. Larger sized companies with trade unions are the only ones not having social dialog concluded (13%).

To sum up, the topics “working hours” and “wages” are most common among smaller sized companies. All available topics are important for medium sized companies with the same share. Larger sized companies most commonly claimed that they include topics, such as “annual leave”, “wages” and “framework for trade union activities”, in the social agreement. This question was answered only by those respondents who have trade unions organized at the company level.

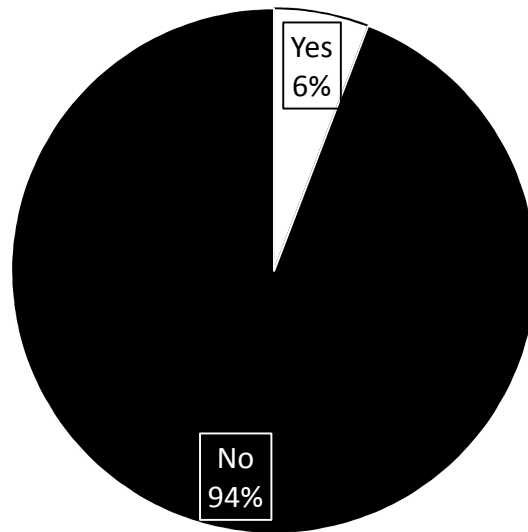
	smaller sized companies (n=8)	medium sized companies (n=4)	larger sized companies (n=8)
we don't have social dialogue established	0%	0%	13%
working hours	63%	75%	63%
annual leave	38%	75%	88%
wages	63%	75%	88%
occupational safety and health	50%	75%	75%
employment termination conditions	50%	75%	75%
framework for trade union activities	0%	75%	88%
other	13%	0%	0%

Picture 12: The main topics in collective agreement / social dialog with trade unions at the company level regarding the size of the companies (What are main topics in collective agreement / social dialogue (with trade union at company level)?) (n=20)

WORKS COUNCILS

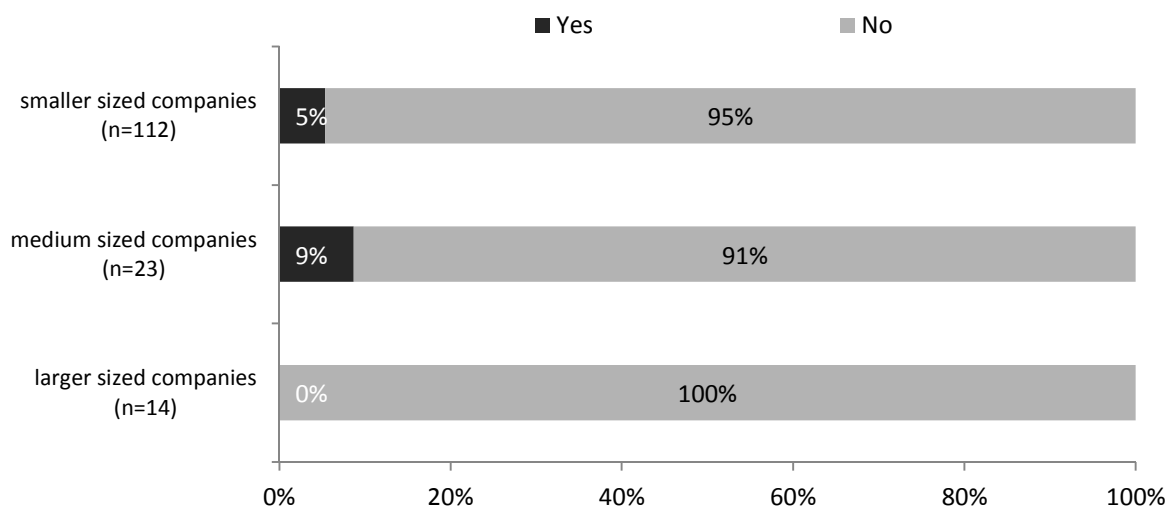
The third part of the survey focuses on the presence of the works councils at the company level and their role in the social dialog within companies with organized works councils. This part also includes selective question *Do you have Works council organized at company level?* which provided answers of all participants on subject of having trade unions or not. If a respondent answered there is works council organized at the company level, they were again asked three more questions related to the works councils. These questions were answered by only 9 respondents.

Among the Serbian companies which participated in the survey, most companies do not have organized works councils at the company level (94%). Only 6% of the respondents stated that they have organized works councils. Complete analysis in this chapter needs to be interpreted with caution, because there was only a small amount of companies included in the analysis.



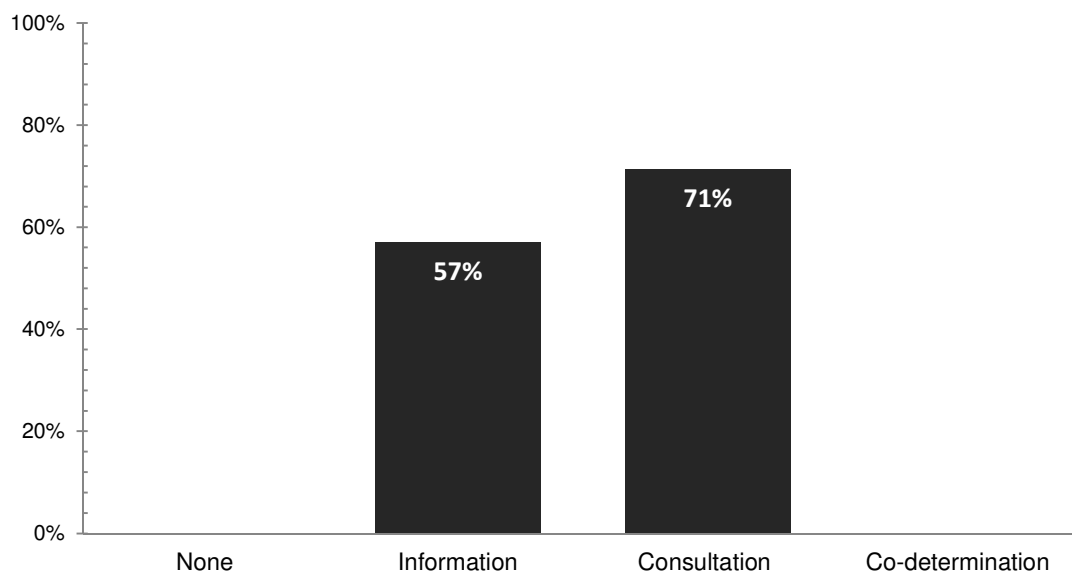
Picture 13: Works council organized at the company level (Do you have Works council organized at company level?) (n=154)

As shown in the picture below, the share of organized works councils is 9% and is the highest among medium sized companies; even though this share is still low, it is the highest among all segments (according to size). Only 5% of smaller sized companies have a works council while larger sized companies in the survey sample do not have organized works councils at all.



Picture 14: Works council organized at the company level regarding the size of the company (Do you have Works council organized at company level?) (n=149)

The most common role of works council in a decision making process in the companies is consultation (71%). The role of information is the next most common role and is present in more than half of the companies (57%). The picture below suggests that the works councils however play some role in decision making, since none of the companies have chosen the answer “none”, but also none of them have chosen “co-determination”.



Picture 15: Works council’s role in decision making in the company (What is the Works council’s role in decision making in your company?) (n=7)

Regarding the size of the companies, more than two thirds (67%) of the smaller sized companies have chosen the role of consultation as main works councils’ decision making role, which is slightly more relevant than the role of information (50%). Only one medium sized company exposed information and consultation as the most important roles of the works councils. No larger sized company participated in defining the works councils’ roles.

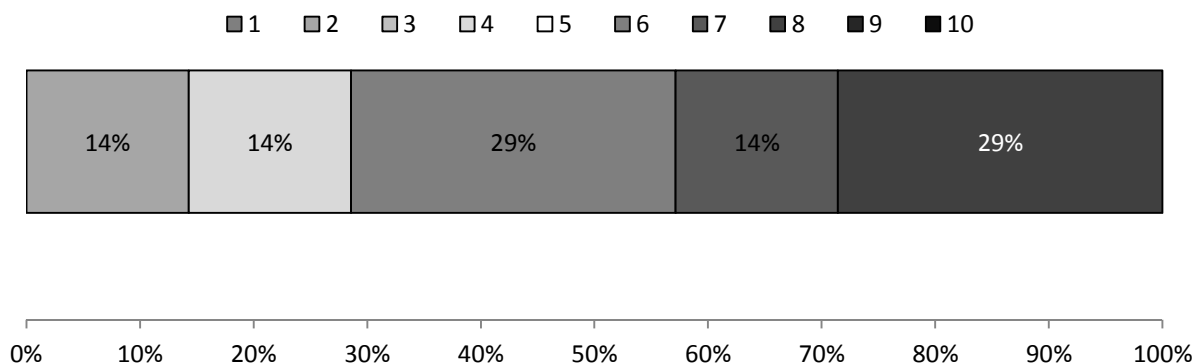
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	smaller sized companies (n=6)	medium sized companies (n=1)	larger sized companies (n=0)
None	0%	0%	
Information	50%	100%	
Consultation	67%	100%	
Co-determination	0%	0%	

Picture 16: Works council's role in decision making in the company regarding the size of the company (What is the Works council's role in decision making in your company?) (n=7)

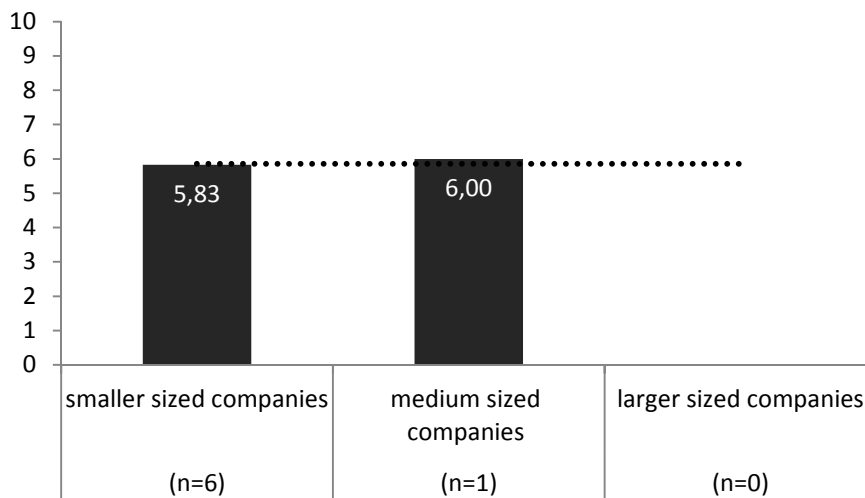
The works council's role is estimated with the average rate of 5.86 on the 10-point scale. The participants most commonly (29%) estimated its role with rates of 6 and 8. There are 28% of the companies that estimated its role with the rates lower than or equal to 5 which suggests more negative assessment.

It should be noted again that the numerus is very small which requires special consideration when interpreting the results.



Picture 17: Works council's role in the company (How do you estimate the Works council's role in the company?) (n=7)

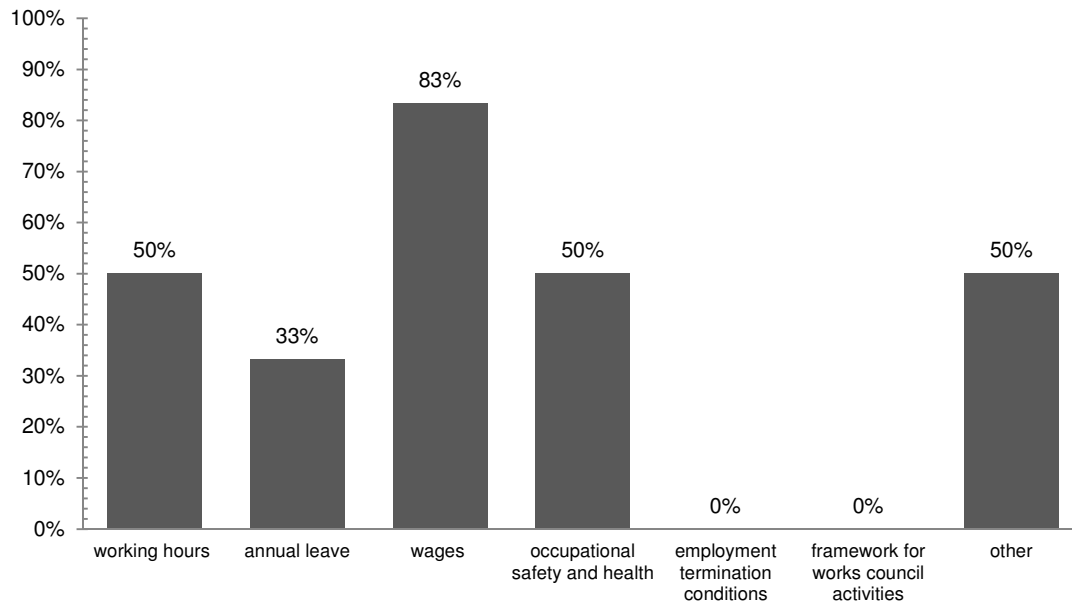
The picture below represents the average works council's role rate regarding the size of the company. The average role rate among smaller sized companies (5.38) is lower than among medium sized companies (6.0). The average role rate (5.86) is presented by the dashed line in the picture below.



Picture 18: Works council's role in the company regarding the company size (How do you estimate the Works council's role in the company?) (n=7)

The main topics of dialogue within works councils are presented in the picture below. The most common topic (83%) is “wages”, but also half of the companies (50%) claimed “working hours” and “occupational safety and health” are the topics of dialogue with the works councils. The topic “annual leave” is the least common topic of dialogue (33%), while “employment termination conditions” and “framework for works council activities” are not the topics of dialogue at all.

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Picture 19: The main topics of dialogue with works council (What are the main topics of dialogue with works council?) (n=6)

Half of the companies (50%) also stated that there are some other topics of dialogue with works councils. The respondents' statements relating to other topics of dialog are the following:

labour process, OSH

work responsibility

interpersonal relations

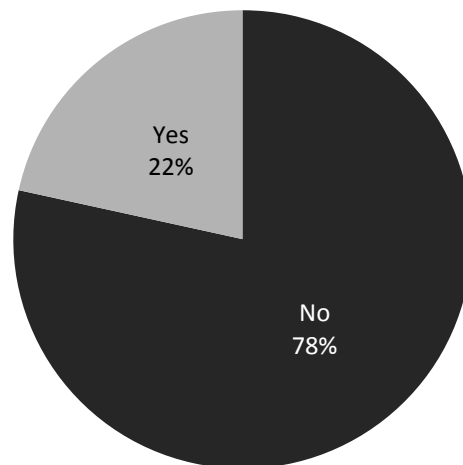
As shown in the picture below, smaller sized and medium sized companies have mainly different topics of social dialogue with works councils. As already mentioned above, topic "wages" has the highest priority among different sized companies, but has a higher priority among medium than smaller sized companies, even though it is the most common among the latter. If offered topics were labeled as conventional, the smaller sized companies have less common conventional topics of dialogue and are most likely discussing topics relevant for their company.

	smaller sized companies (n=5)	medium sized companies (n=1)	larger sized companies (n=0)
working hours	40%	100%	
annual leave	40%	0%	
wages	80%	100%	
occupational safety and health	40%	100%	
employment termination conditions	0%	0%	
framework for trade union activities	0%	0%	
other	60%	0%	

Picture 20: The main topics of dialogue with works council regarding the size of the company (What are the main topics of dialogue with works council?) (n=6)

The question *Are there any other forms of social dialogue in your company?* was posed to all the participants regardless of them having trade unions and works councils or not.

As shown in the picture below, most Serbian companies do not have any other form of social dialogue (78%).



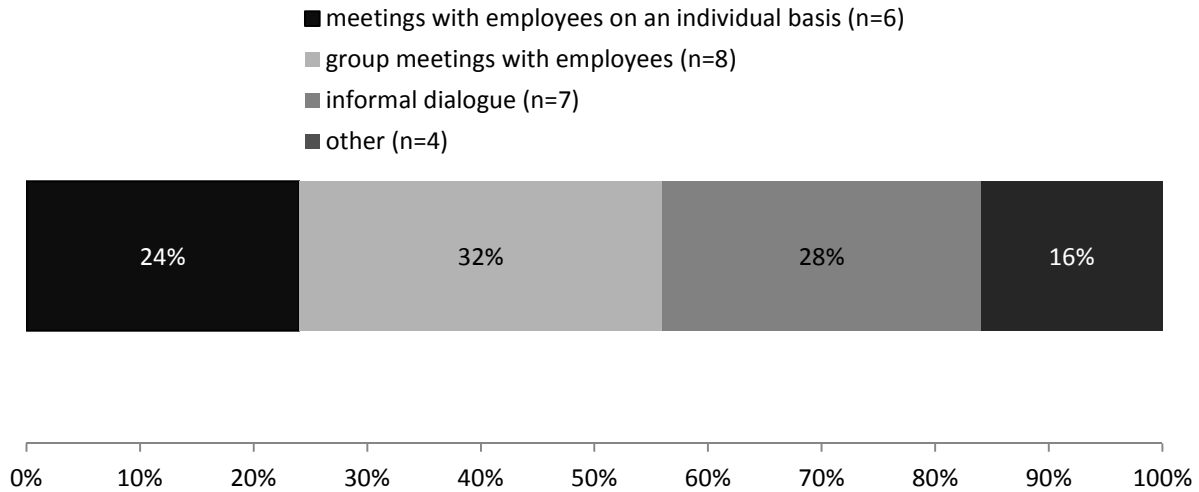
Picture 21: Other forms of social dialogue (Are there other forms of social dialogue in your company?) (n=116)

In case the respondent answered that the company has some other form of social dialogue (22%), they were asked which forms these are. Their responses are represented on the list below:

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Hearing the opinion of the employees
Dialogue with the government for reduction of obligations with the object of company survival
Direct contact with employees, monthly meetings
Daily contacts
Personal contact
Monthly meetings
Conversation
Employee Ombudsman
Availability of the employer to be approached by the employee at all times
Open door policy every second Wednesday
Communication with each employee every month during handing the pay slips
Following of the socio-economic position of the employees and their families
Workshops and team meetings
Discussion
Employee-employer discussion, if needed
Discussion with employees and non-binding consultation about important issues, which are most often not followed
Quarterly employee meetings
Meetings on company level two times per year
Employee meetings
Keeping contacts of the employees and employers through meetings and electronic and other communication
Stimulation
Each employee can contact the director at any time. Regular employee meetings.
All problems are resolved through direct agreement
Surveys, verbal communication with employees every last Saturday in month
Joint problem solving of individuals

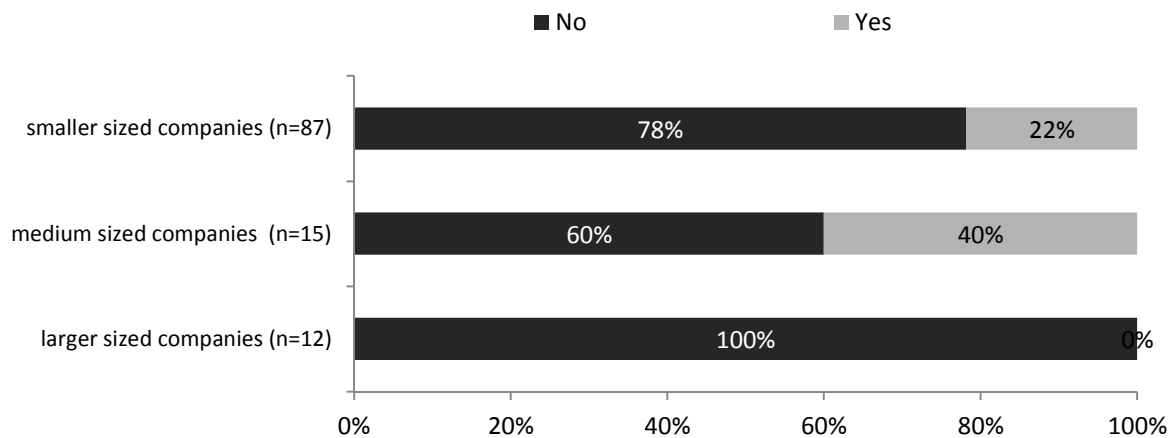
The open answers were classified into 4 groups, presented in the picture below:



Picture 22: Other forms of social dialogue (Are there other forms of social dialogue in your company?) (n=25)

The most common form of social dialogue are group meetings with employees (32%), but also informal dialogue (28%) and meetings with employees on an individual basis (24%) appear to be fairly common. The unclassified statements are grouped in the category “other” (16%).

Other forms of social dialogue are more likely present in the medium sized companies (40%) and less among smaller sized companies (22%). Larger sized companies do not have other forms of dialogue at all.



Picture 23: Other forms of social dialogue regarding the size of the company (Are there other forms of social dialogue in your company?) (n=116)

SUGGESTIONS

The key finding of this analysis is that only a small number of Serbian companies has trade union or works council established at the company level. As the number is so small, the results need to be interpreted with caution.

This survey can be upgraded with additional research methods in order to explore the causes of why companies are not organized. For this purpose the qualitative research methods can be used, such as interview and focus groups, which would contribute to a deeper insight into the situation.