

SURVEY ON THE STATE OF SOCIAL DIALOGUE AT THE COMPANY LEVEL

MONTENEGRIN 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 Montenegrin companies. Also, comparative report and two additional national reports, i.e. for Macedonia and Serbia, 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. 3000 contacts per country, response rate was XX%. 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 medium companies. The assessment of the trade unions' role is rather positive than negative and is the highest among medium 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 medium sized companies. The works councils most often play roles of consulting; their role is rather positively than negatively assessed. In addition to "annual leave" and "occupational safety and health", the most common topic of dialogue with works councils are also wages. More than a third of the companies claimed to have some other form of social dialogue, which is mostly related to informal dialogue.

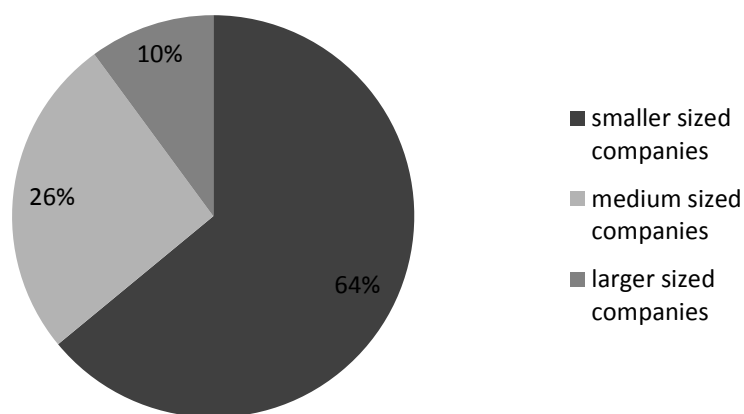
SURVEY SAMPLE DESCRIPTION

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. Montenegrin companies represent 29% of total response rate.

There were 140 Montenegrin 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 (64%) included in the Montenegrin sample, where more than a third of the sample (34%) represents companies that have between 11 and 50 employees, and a bit less (30%) represents the companies with up to 10 employees. The medium sized companies, which are the companies that have between 51 and 250 employees, are represented by 26% of the Montenegrin sample. Only 10% of the Montenegrin sample are larger companies with more than 250 employees.

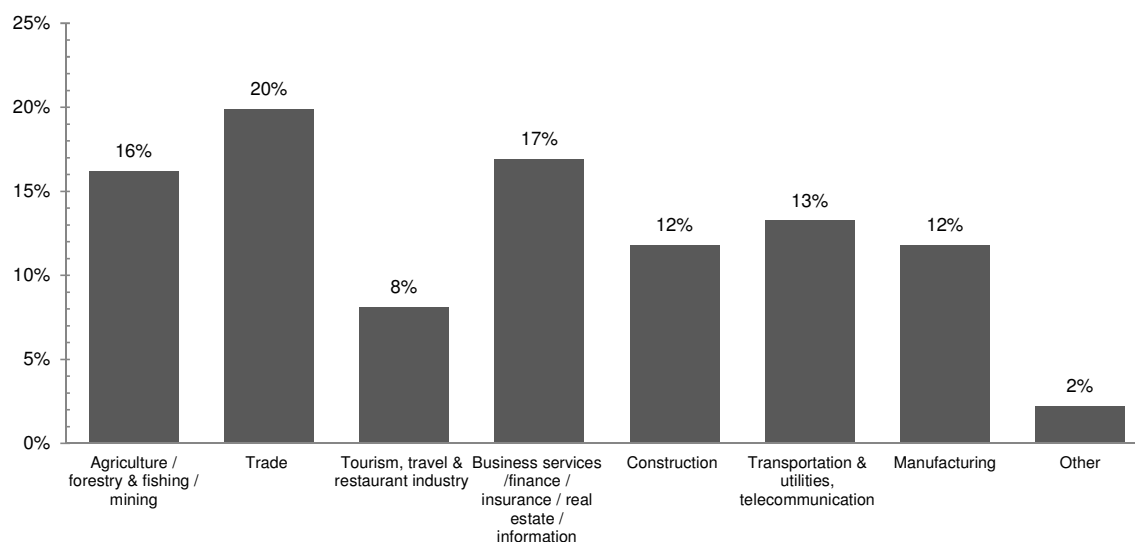


Picture 1: Companies regarding the size (n=139)

The highest share of the companies (20%) represents trade sector. A very high share is also represented by the Business services /finance / insurance / real estate / information (17%),

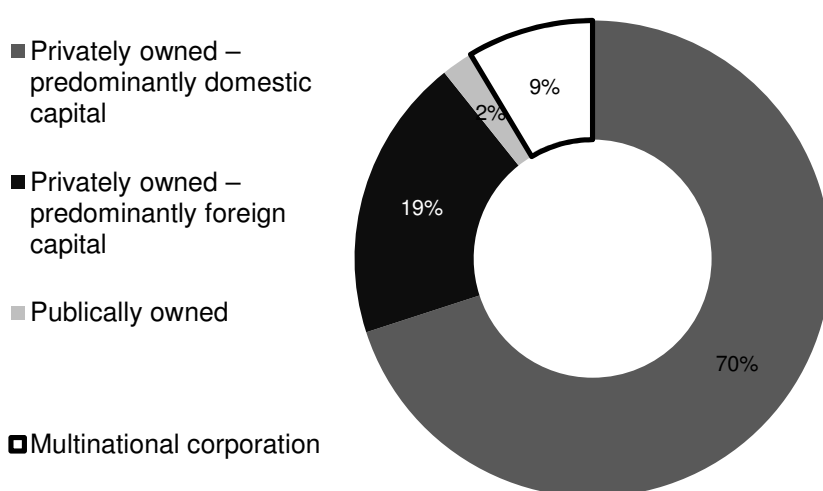
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and Agriculture / forestry & fishing / mining sector (16%). Sector of activity of the companies is relatively evenly distributed.



Picture 2: Companies regarding the sector of activity (n=136)

In the context of the ownership structure, most of the companies are privately owned – 70% by predominantly domestic capital and 19% by predominantly foreign capital. Only 2% of the companies are public companies, and the rest (9%) are the multinational corporations.

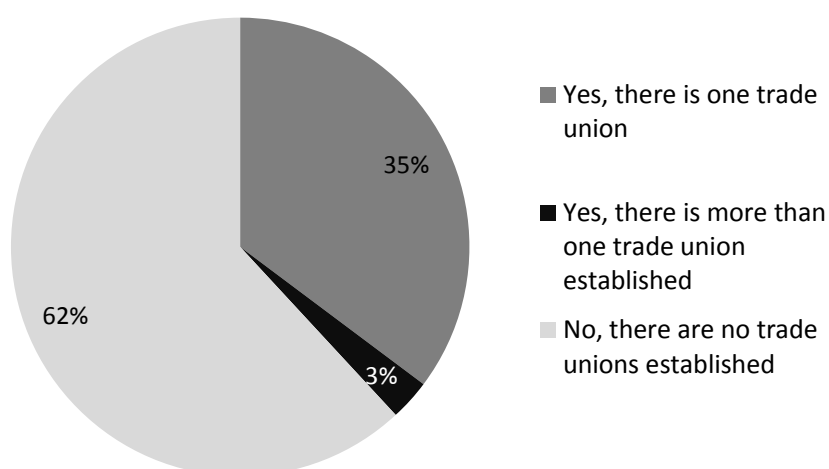


Picture 3: Companies regarding the ownership structure (n=140)

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 49 respondents.

Montenegrin companies mostly don't have any trade unions organized at the company level (62%). Only 38% 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=139)

As shown in the picture below, mostly medium sized companies claimed having organized trade unions (81%), and the share of such companies among larger sized companies is slightly lower (71%), but the latter have the highest share (21%) of the companies that have

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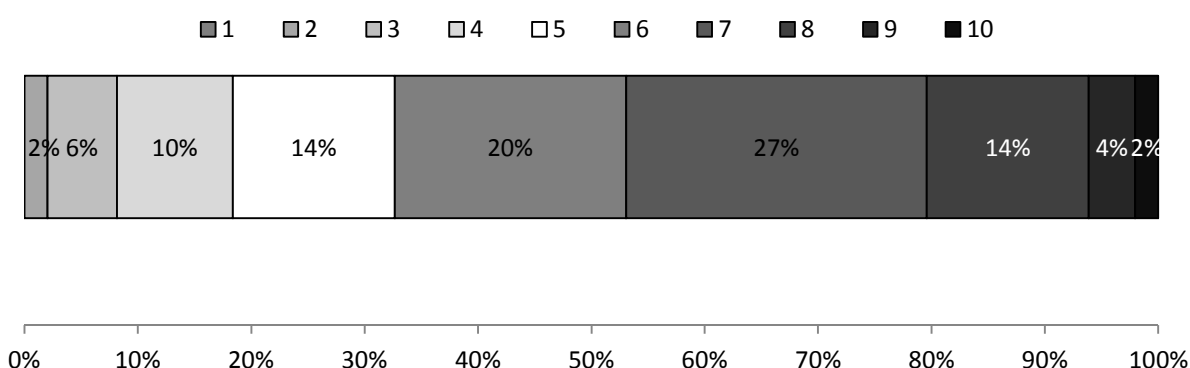
more than one established trade union. There are 84% of smaller sized companies that have no trade unions. There are no entities in smaller sized companies which have more than one trade union.

| | smaller sized companies (n=89) | medium sized companies (n=36) | larger sized companies (n=14) |
|---|--------------------------------------|-------------------------------------|-------------------------------------|
| Yes, there is one trade union | 16% | 78% | 50% |
| Yes, there is more than one trade union established | 0% | 3% | 21% |
| No, there are no trade unions established | 84% | 19% | 29% |

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=139)

How are Montenegrin 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.

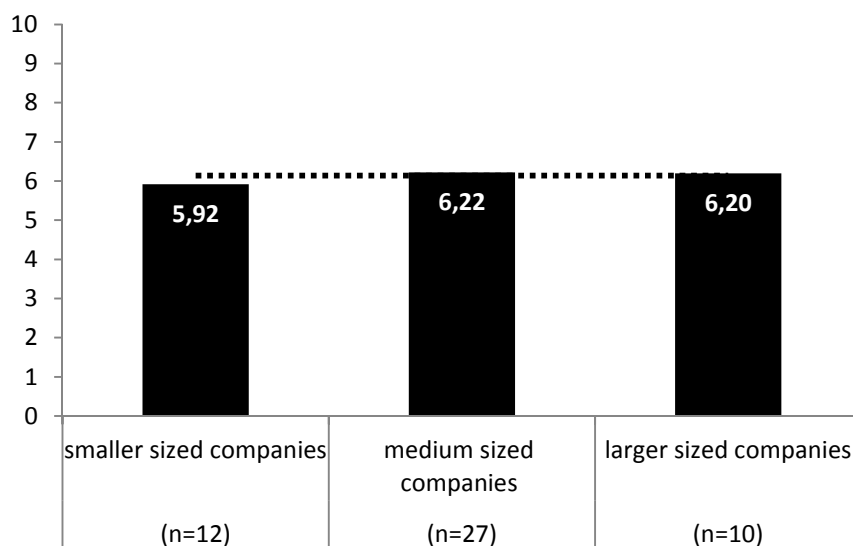
The average rate of the trade unions' role is 6.14 on 10-level scale. Two thirds (66%) of respondents estimated the trade unions' role with the rate higher than or equal to 6. Those respondents most frequently estimated the trade unions' role with the rate of 7 (27%). Respondents who estimated the trade unions' role with the rates lower than or equal to 5 (33%) most frequently estimated their role with the rate of 5 (14%).



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=49)

The trade unions' role estimation among medium sized companies (6.22) is a bit higher than among larger (6.20) sized companies, and both estimations exceed the average of the Montenegrin 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 smaller sized companies (5.92). A small share of smaller and larger sized companies answered this question, as there is a small share of those who have organized trade unions. However, the numerus is very small, so results must be considered as not reliable.

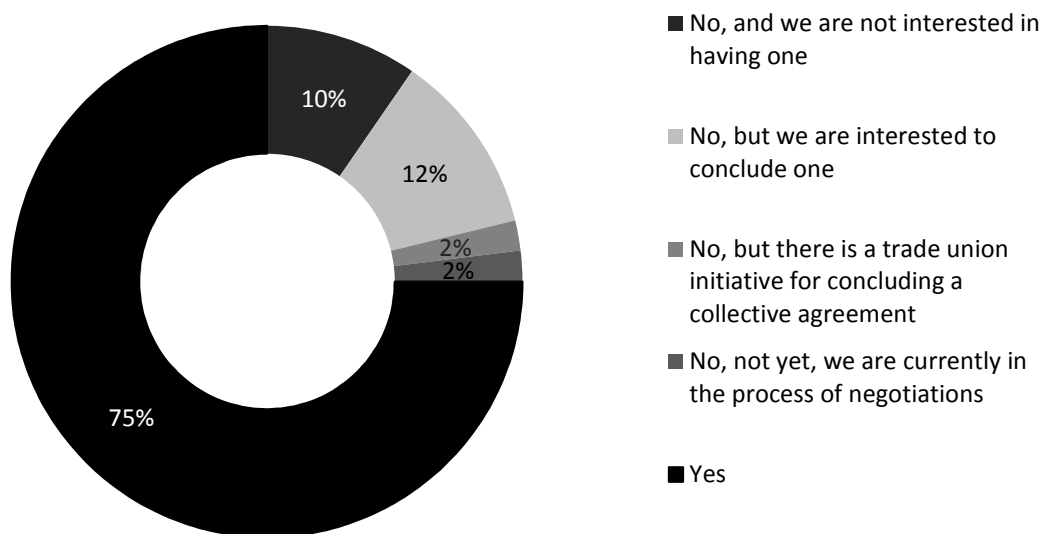


Picture 7: The estimations of the trade unions' role in the company regarding the company's size (How do you estimate the trade union's role in the company?) (n=49)

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.

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Picture 8: Collective agreement at the company level (Do you have a Collective agreement concluded at company level?) (n=52)

As presented in the picture above, 75% 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 (2%) or are either interested to conclude one (12%) or not interested in having one (10%), and also very few (2%) stated that there is a trade union initiative for concluding a collective agreement.

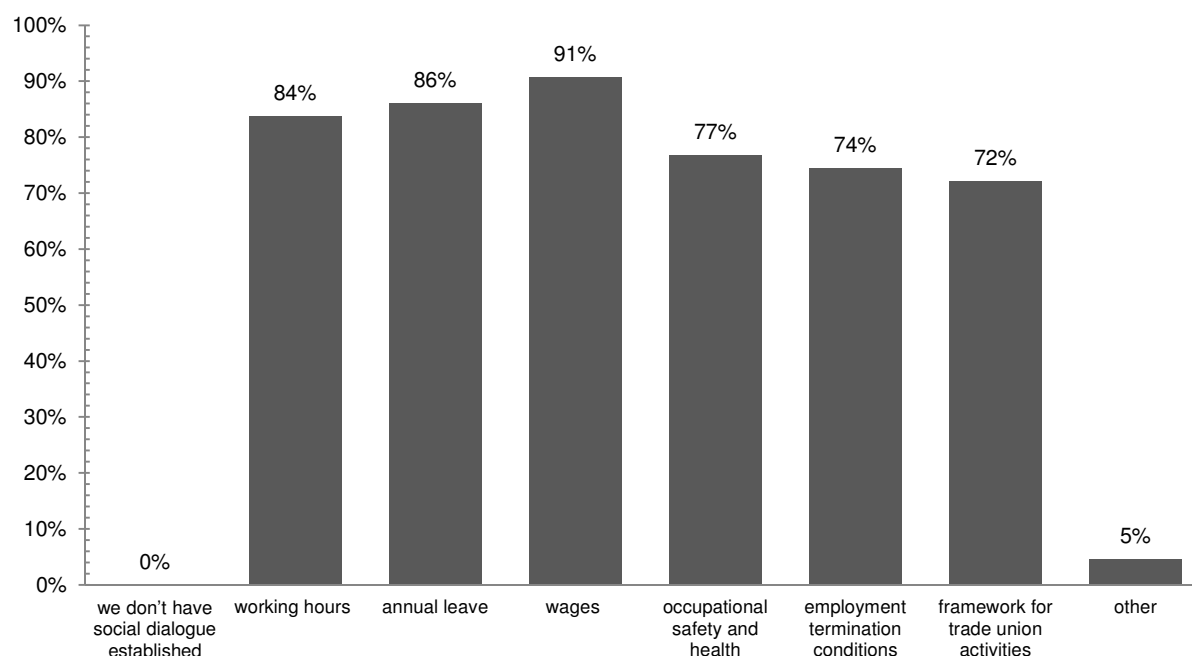
Regarding the company size, all larger sized companies that have trade unions also have concluded collective agreements. There are 82% of medium sized companies with trade unions established and with collective agreements, and there are only 43% of such companies among smaller sized companies. However, the rest of the medium sized companies are either interested in having one (11%) or not interested in having one (7%). A collective agreement is less widely represented among smaller sized companies (43%), among which 21% are interested to conclude one, or not interested in having one with the same share.

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| | smaller sized companies (n=14) | medium sized companies (n=28) | larger sized companies (n=10) |
|---|--------------------------------------|-------------------------------------|-------------------------------------|
| No, and we are not interested in having one | 21% | 7% | 0% |
| No, but we are interested to conclude one | 21% | 11% | 0% |
| No, but there is a trade union initiative for concluding a coll | 7% | 0% | 0% |
| No, not yet, we are currently in the process of negotiations | 7% | 0% | 0% |
| Yes | 43% | 82% | 100% |

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=52)

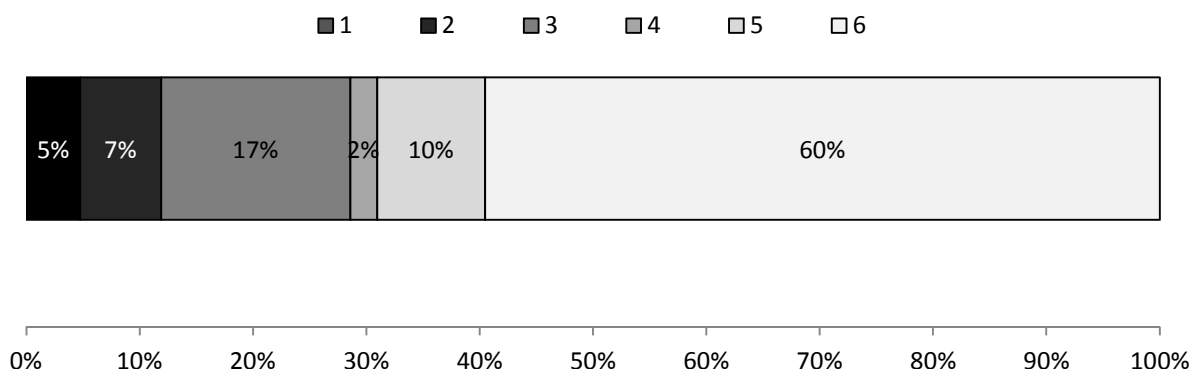
Most common topic in collective agreement with trade unions are wages (91%), but also working hours (84%) and annual leave (86%) occur frequently. All offered topics appear with a relatively high frequency. There are only 5% of the companies that have some other topic in collective agreement. All companies that concluded collective agreement with trade unions also established social dialogue, since none of the companies claimed not having a social dialogue concluded. The sum of the shares exceeds 100%, as multiple responses were available.



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=43)

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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=43)

Almost two thirds of the companies (60%) 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 3 topics as the subject of social dialog. To a lesser extent occur the companies which have five (10%), two (7%) or one (5%) topic in the dialog with trade unions, and those who have 4 offered topics (2%).

According to the size of the companies that have concluded collective agreement, the topic “working hours” is most common among smaller sized companies (86%), but is also frequent among medium (85%) and larger sized companies (80%). The topic “annual leave” is more significant for larger (90%) and for medium (88%) sized companies, and is at least likely to occur among smaller sized companies (71%). The topic “wages” in collective agreements is significant for all larger sized companies (100%); however, the share of companies with this topic is less common among medium (88%) and smaller (86%) sized companies. The topic “occupational safety and health” is at least present among smaller (57%) and with 77% among medium sized companies, but is one of the most important topics among larger sized companies (90%). 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 (90%), and is less specific for smaller sized companies (29%). Medium sized companies include this topic in 77%. Larger sized companies with trade unions have some other topics in the highest share (10%).

To sum up, the topic “working hours” is most common among smaller sized companies. All other available topics most commonly appear among larger sized companies and the least among smaller sized companies. This question was answered only by those respondents who have trade unions organized at the company level.

| | smaller sized companies (n=7) | medium sized companies (n=26) | larger sized companies (n=10) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| we don't have social dialogue established | 0% | 0% | 0% |
| working hours | 86% | 85% | 80% |
| annual leave | 71% | 88% | 90% |
| wages | 86% | 88% | 100% |
| occupational safety and health | 57% | 77% | 90% |
| employment termination conditions | 57% | 77% | 80% |
| framework for trade union activities | 29% | 77% | 90% |
| other | 0% | 4% | 10% |

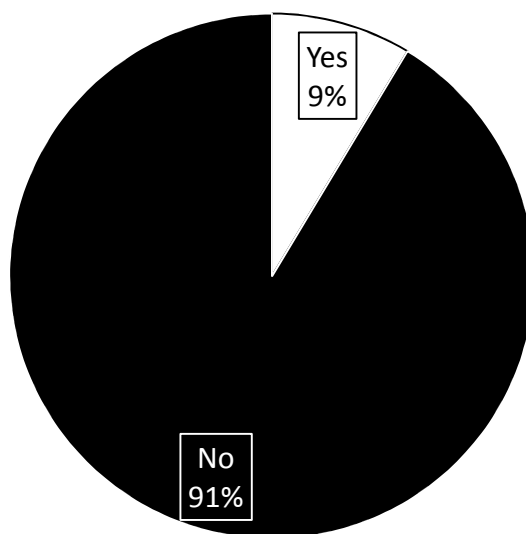
Picture 12: The main topics in collective agreement / social dialog with trade unions at the company level regarding the size of the companies (What are main topics in collective agreement / social dialogue (with trade union at company level)?) (n=43)

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 the 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 12 respondents or less.

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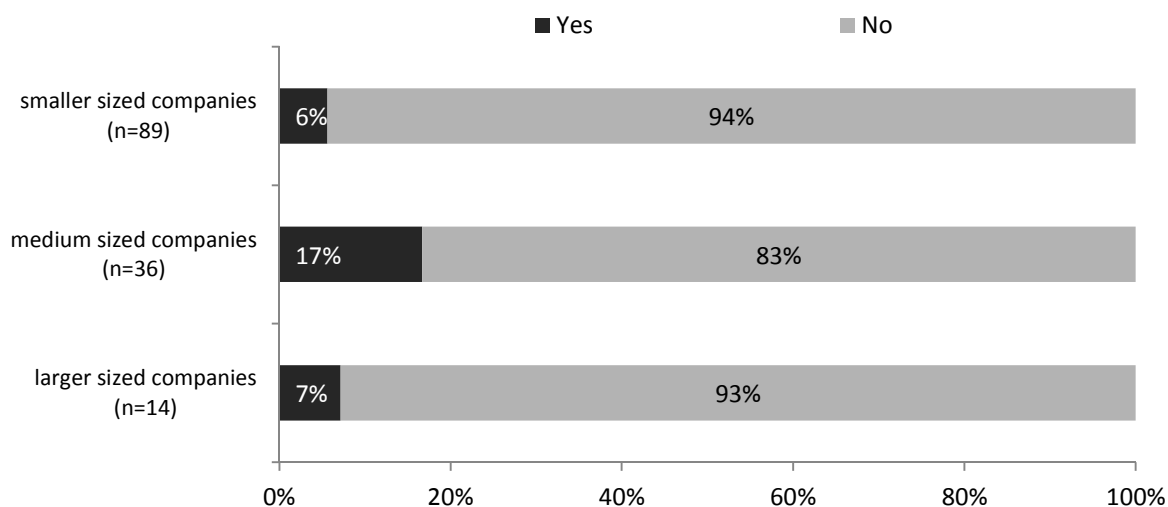
Among the Montenegrin companies which participated in the survey, most companies do not have organized works councils at the company level (91%). Only 9% of the respondents stated that they have organized works councils. Complete analysis in this chapter needs to be interpreted with caution, because 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=139)

As shown in the picture below, the share of organized works councils is 17% 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 6% of smaller sized companies have a works council while this share is a bit higher (7%) among larger sized companies.

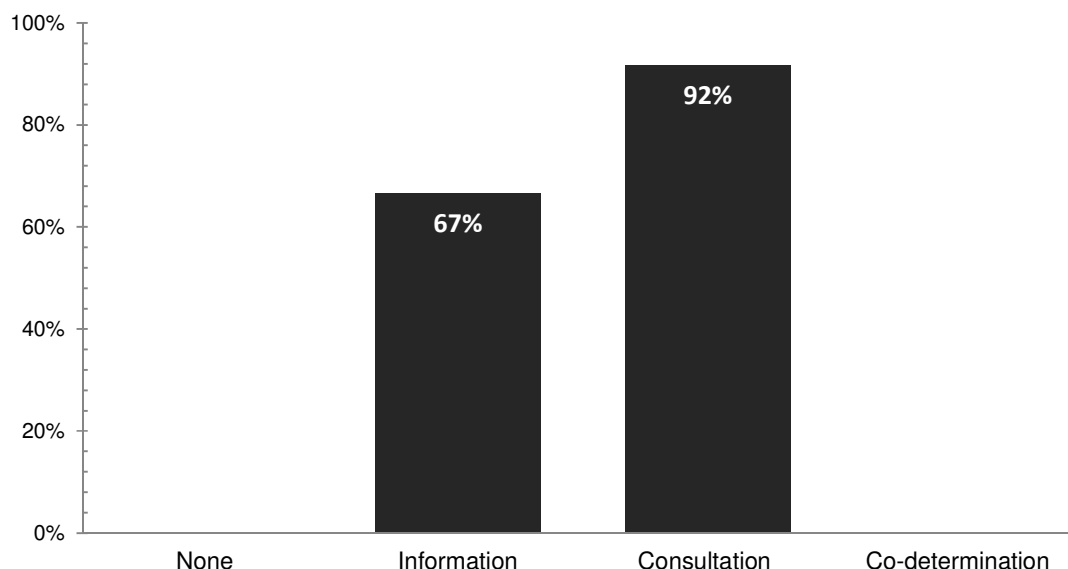
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Picture 14: Works council organized at the company level regarding the size of the company (Do you have Works council organized at company level?) (n=139)

The most common role of works council in a decision making process in the companies is consultation (92%). The role of information is the next most common role and is present in more than two thirds of the companies (67%). 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”.

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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=12)

Regarding the size of the companies, the role of consultation as main works councils' decision making role is more relevant among medium sized companies (100%) than among smaller (80%). It is the opposite to the role of information, which is more relevant among smaller (80%) than among medium sized companies. Only one larger sized company participated in defining the works councils' roles.

| | smaller sized companies (n=5) | medium sized companies (n=6) | larger sized companies (n=1) |
|------------------|-------------------------------------|------------------------------------|------------------------------------|
| None | 0% | 0% | 0% |
| Information | 80% | 50% | 100% |
| Consultation | 80% | 100% | 100% |
| Co-determination | 0% | 0% | 0% |

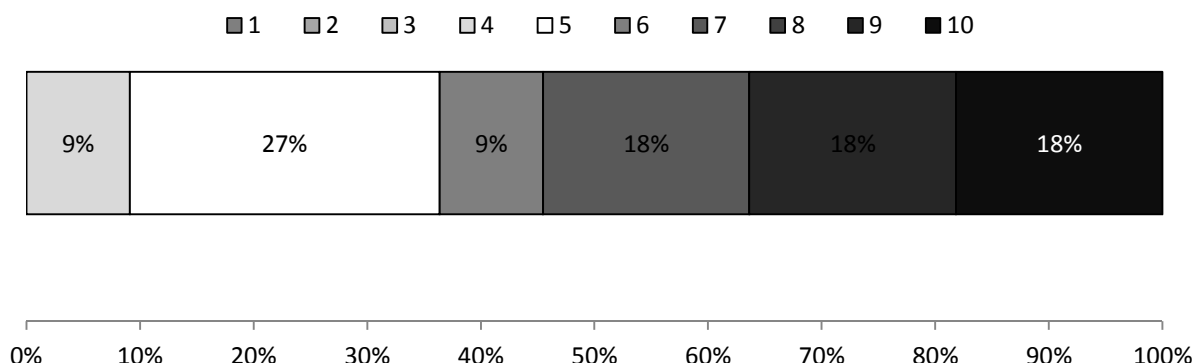
Picture 16: Works council's role in decision making in the company regarding the size of the company (What is the Works council's role in decision making in your company?) (n=12)

The works council's role is estimated with the average rate of 7.0 on the 10-point scale. The participants most commonly (27%) estimated its role with the rate of 5. There are 64% of the

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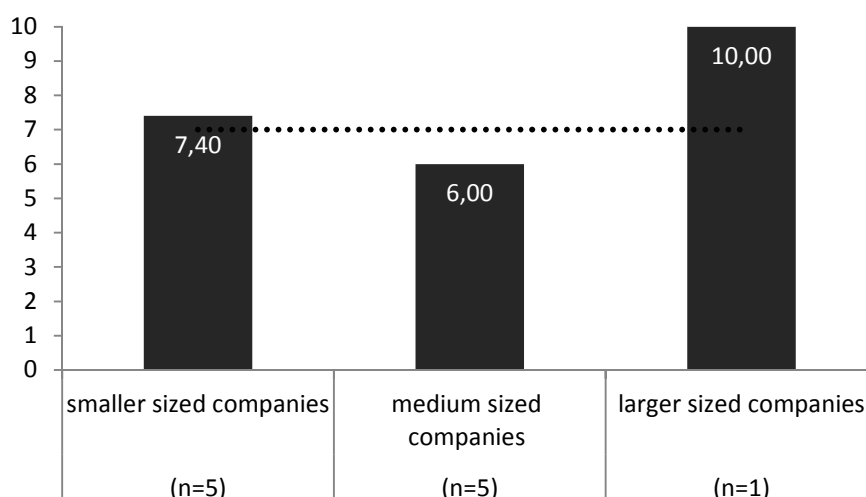
companies that estimated its role with the rates higher than or equal to 6 which suggests more positive assessment.

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



Picture 17: The Works council's role in the company (How do you estimate the Works council's role in the company?) (n=11)

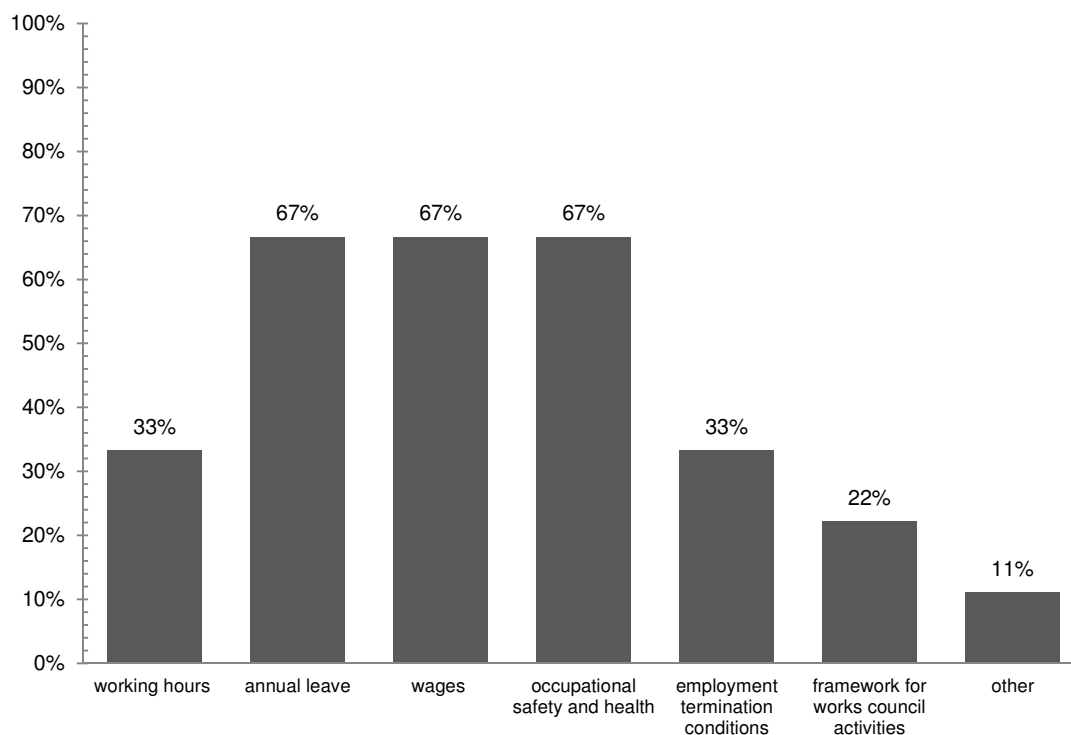
The picture below represents the average works council's role rate regarding the size of the company. The average role rate among smaller sized companies (7.40) is higher than among medium sized companies (6.00), but lower than among larger sized companies (10.00). The average role rate (7.00) is presented 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=11)

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The main topics of dialogue within works councils are presented in the picture below. The most common topics (67% each) are “wages”, “annual leave” and “occupational safety and health”, but also third of the companies (33%) claimed “working hours” and “employment termination conditions” are the topics of dialogue with the works councils. The topic “framework for works council activities” is the least common topic of dialogue (22%).



Picture 19: The main topics of dialogue with works council (What are the main topics of dialogue with works council?) (n=9)

A small share (11%) of the companies also stated that there are some other topics of dialogue with works councils. The respondent’s statement relating to other topics of dialog is the following:

“Upravo cilj radnickih sastanaka je diskutovanje svih tema koje su vazne za kompaniju a to je sve uvrsteno u ovom pitanju”.

As shown in the picture below, smaller sized and medium sized companies have mainly different topics of social dialogue with works councils. Topic “wages” has a higher priority

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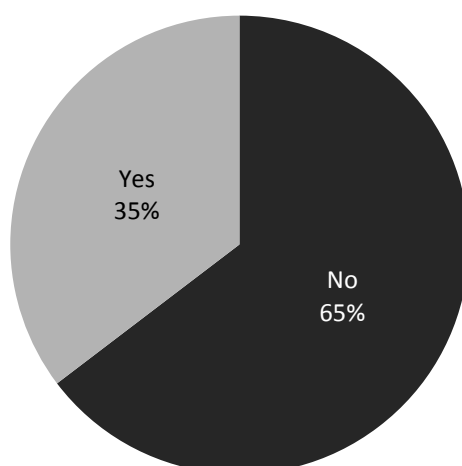
among smaller sized (100%) than among medium sized companies (40%); same result occurs with topics “annual leave” and “working hours”, but the differences are smaller here. The rest of the topics are more significant among medium sized than among smaller sized companies.

| | smaller sized companies (n=3) | medium sized companies (n=5) | larger sized companies (n=1) |
|--------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| working hours | 33% | 20% | 100% |
| annual leave | 67% | 60% | 100% |
| wages | 100% | 40% | 100% |
| occupational safety and health | 33% | 80% | 100% |
| employment termination conditions | 0% | 40% | 100% |
| framework for trade union activities | 0% | 20% | 100% |
| other | 0% | 20% | 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=9)

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 Montenegrin companies do not have any other form of social dialogue (65%).



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

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In case the respondent answered that the company has some other form of social dialogue (35%), they were asked which forms these are. Their responses are represented on the list below:

| |
|---|
| dijalog medju radnicima |
| Dogovor na relaciji zaposleni poslodavaca i dogovori oko svih poslovnih aktivnosti |
| Dva puta u toku nedjelje raygovori svih yaposlenih i poslodavca |
| Interna komunikacija |
| Iskljucivo dogovor poislodavac-zaposleni |
| Iskljucivo postovanje OKU i GKU |
| iskljucivo razgovor |
| Iskljucivo usmeni dogovor |
| konstantan dogovor |
| Medjusobna podrška |
| Neformalna komunikacija |
| Neformalni dijalog |
| neformalni razgovor |
| neformalni odnos tj uzajamno povjerenje |
| osobu koja se bavi ljudskim resursima |
| Otvoreni razgovor |
| Otvoreni razgovor, povjerenje |
| Postoji medjusobno razumijevanje i vjerovanje medju radnicima i poslodavcem |
| povjerenje |
| povjerenje i razgovor |
| Povjerenje izmedju uprave i zaposlenih |
| Ravnopravni uslovi za sve |
| razgovor |
| razgovori |
| Samo dijalog sa zaposlenim / pismeno usmeni |
| Samo usmeni dogovor |
| SASTANCI U PROST. KOMPANIJE |
| Slobodna komunikacija i iznosenje i prihvatanje misljenja zaposlenih |
| Svakodnevna komunikacija u pogledu sastanaka i slobodnog inosenja misljenja i stavova u cilju kreiranja jedinstvenih rjesenja |
| SVakodnevna sradnja i komunikacija poslodavac zaposleni |
| Svakodneve sastanke sa radnicima, neformalni dijalog |
| Svakodnevni dijalog i korespodencija, kako na individulanom tako i na grupnom nivou. |
| SVakodnevni sastanci i komunikacija |
| Svakodnevni sastanci na nivou poslodavac zaposleni yu cilju targetiranja potreba |

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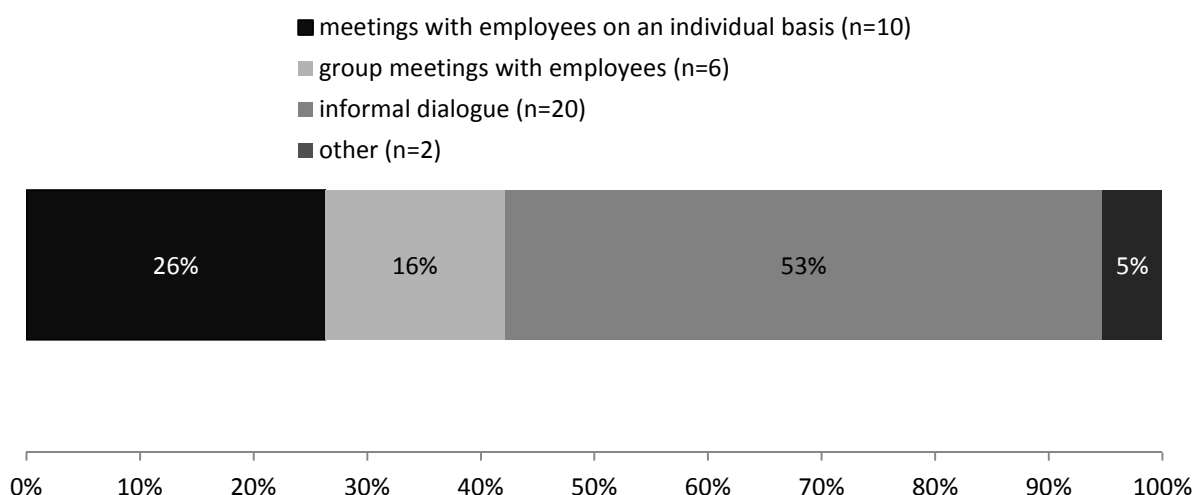
Sve sto radi radnicki savjet se odnosi na dijalog a to je informisanje sindikata o vaznim procesima kao i slusanje njihovog misljenja

Ukljucivanje svih yaposlenih u donosenju svih vaznih odluka

Uzajamni dijalog na nivou poslodavca i zaposlenog

verbalna komunikacija i gradjenje povjerenja na svim nivoima

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

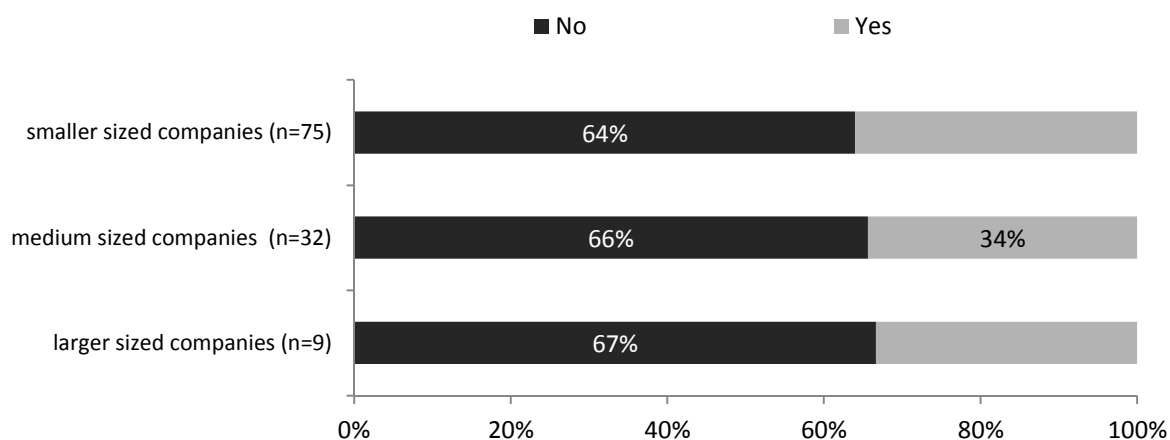


Picture 22: Other forms of social dialogue (Are there other forms of social dialogue in your company?) (n=38)

The most common form of social dialogue is informal dialogue (53%), but also meetings with employees on an individual basis (26%) appear to be fairly common. Group meetings with employees have the lowest share (16%). The unclassified statements are grouped in the category "other" (5%).

As the answers to this question are evenly distributed, the differences between companies regarding their size are negligible.

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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 Montenegrin companies has trade union or works council established at the company level. As the numerus 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.