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## Conférence finale / Final conference AgirE

# **Management structures & corporate governance**

The business approach as conceptual paradigm ?

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# PARTICIPATION OF STAKEHOLDERS

## DIFFERENT WAYS OF THINKING IN EUROPE

- Rhineland model (Northwest Europe)
  - early involvement in policy preparation and business line decisions
  - unions & works councils want to be (morally) co-responsible
  - business approach as conceptual paradigm is dominant
- Southern European model
  - early involvement is not common, more or less unknown and / or not accepted (no involvement in employee-unfriendly decisions)
  - territory as conceptual paradigm, national authorities exert pressure, focus on legal powers, 'fight and win'

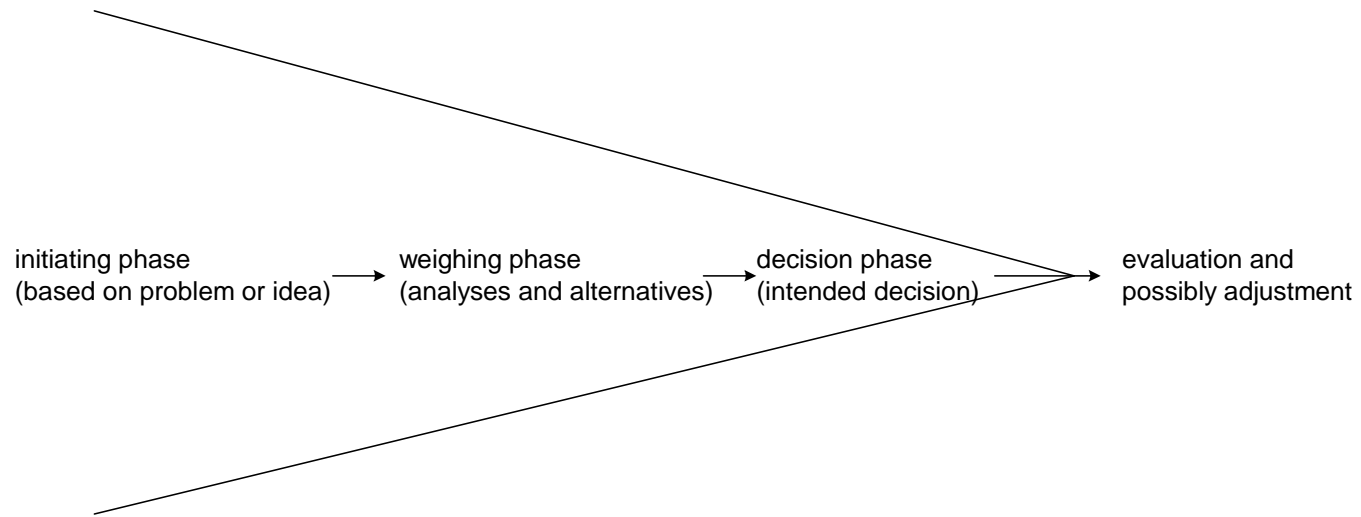


Diagram 4.4: Phasing of the decision-making process (a funnel with decreasing scope for policy-making)

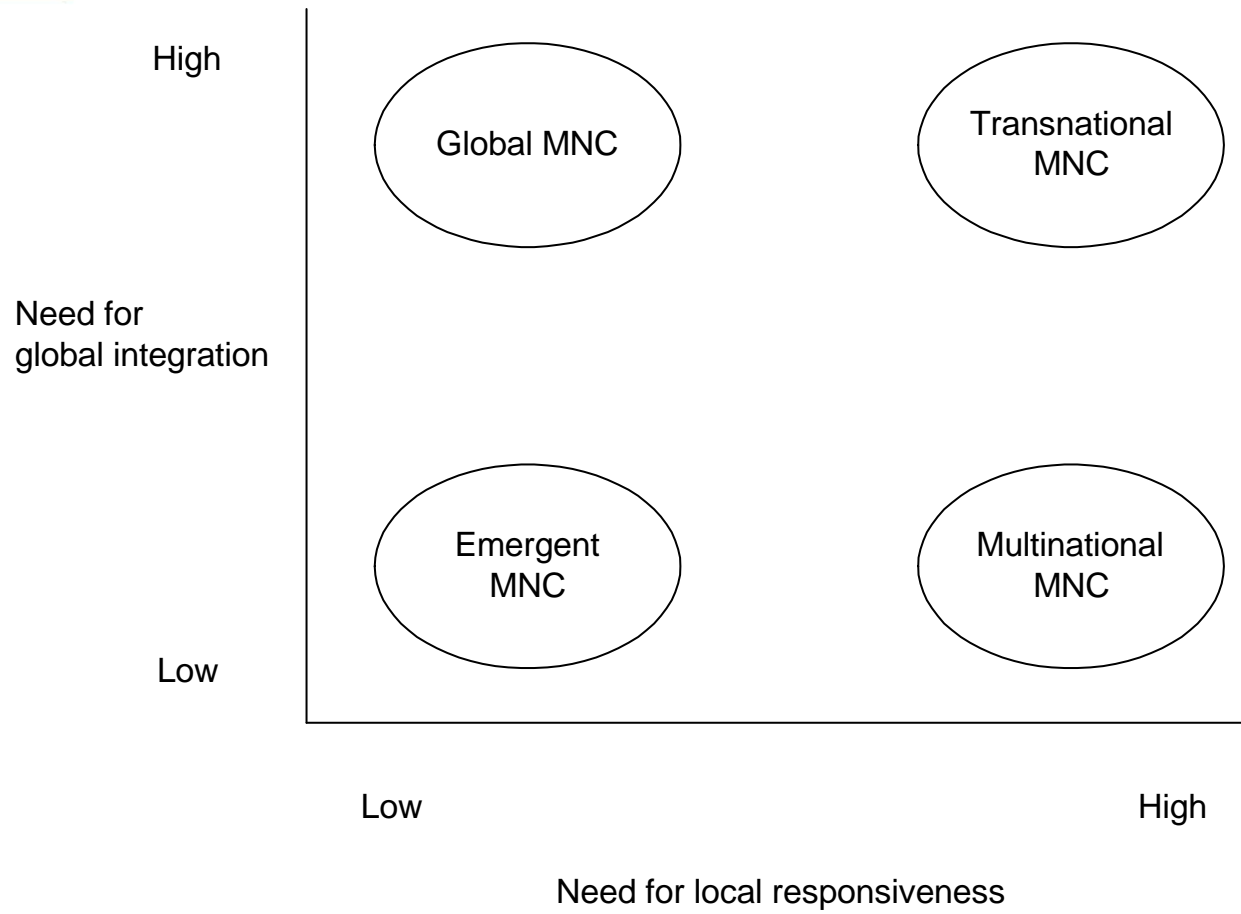


Diagram 2.1a Integrated Responsiveness Grid (Prahalad & Doz), 1987, 1991)



# corporate governance

## ownership and management of the company

- Anglo Saxon influence on the company becomes stronger
  - private equity and hedge funds as stakeholders
  - narrow focus on shareholders more dominant for (top)management
  - who is in charge for the future of the company ?
  - actual discussion in Northwest Europe especially the Netherlands
  - focus on participation within the governance structure of the company
  - In Southern Europa an non-discussion ???
  - see for example Dutch companies (ABN Amro, Stork, HBG)



# management structures

## cross-border organisational development of companies

- different phases of organisational development
- different management (participation) structures
  - multinational company → country management strategic involved
  - global company (IBL) → country management not strategic involved / operational responsibilities
  - transnational company → no dominant management

successful participation national stakeholders depends on moment in decision making process and position and role of the national management



# Managementstructures

trends for the future ?! (1)

- companies are increasingly organizing their activities in international business divisions (IBL);
- local business activities highly dominated by US HQ (Dutch cases, GE Energy Products, IBM France), Canadian topmanagement (Alcan, Singen, Novelis) or UK management (Fujitsu Services)

this gives bad conditions to national stakeholders for participation and involvement and also bad conditions to change the outcomes of the strategic processes like redundancies, investment programs and so on



# Management structures

## trends for the future ?! (2)

- but there are also companies in which local management has relatively a high degree of autonomy (Lebay France, Thomson Video Glas, or ABN Amro France)



# Directive 94/45/EC

## European participation of employees

- different expectations within Europe about EWC
  - EWC as a platform for information, networking and / or participation in cross-border strategic processes ?
  - level of ambition in Europe about the EWC is not the same !
  - facilities for employees can (must) be improved
  - EWC need more match with the management structure of the company