



# Executive participation in Finland and the role of «ombudsman» in solving conflicts

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## New realities through EWCs

Dr. Daniel Valtakari

UPPER LEVEL - Joint Social Commitment – as the key to I&C Participation and their challenges

Daniel Valtakari

Academic  
Engineers and  
Architects in  
Finland TEK





# What is participation

Participation means that people, here in particular employees, are

informed and consulted

on matters concerning them and affecting them in the way of working and employment.

# Why do we need participation?

Citizens in the EU have the right to participate in the European decision-making process. Proper participation is essential also in the working life and this is possible based on specific legislation.

In addition, when employees are offered the possibility to participate, it will add value to the decision making of the employers and lead to better results in business, efficiency, management and human resources, as recent studies indicate.

# Executive participation – Finland

A step towards true information and consultation is the executive participation.

Employee representation on board level and in executive management teams should be considered an asset and a source of additional information for the best possible decision making in the company. In cases of potential conflicts the employee representatives can advise the management against action that might complicate the situation further.

In Finland employees can be represented at board level and in the executive management teams. The legal requirement is that the company has at least 150 employees and that the employees request the representation.

# When Executive participation is missing

When board level representation is missing or the employee numbers don't qualify for such, then the following options should be considered:

- Agree on local/Company level to establish executive participation to fully benefit from the mutual dialogue and feedback from the employees.
- Establish a cooperation (group) consisting of employer and employee representatives for a continuous dialogue.

Both of these can be used in parallel and even when executive participation exists by legal requirements. The legal requirements in Finland ensures the existence of such cooperation (group) in any case when employee numbers exceed 20.

# Benefits from executive participation

Executive participation can be based on legal requirements or on mutual agreement. The purpose is in all cases to have a fruitful dialogue that benefits employers as well as employees with the purpose of increased success.

- Employers will have a direct feedback with the best arguments from the employees.
- Employees will be able to participate in decisions concerning them.
- The cooperation does/will not restrict the ability and rights of the employer to make decisions.

# The Cooperation Ombudsman - Finland

The [Cooperation Ombudsman](#) is a government institution headed by an ombudsman (government official and office) in Finland.

It is an institution based on the same principle as the [European Ombudsman](#) on European level and the concept of ombudsman comes from Finland.

The purpose is to offer an independent authority mainly for advisory purposes. However, the ombudsman can in some cases also use executive powers and even order fines if necessary.

The ombudsman is not a mediator, that is the role of an other institution – [The National Conciliator](#).



# Advantage having a cooperation ombudsman

The ombudsman offers legal advice in order to find solutions for conflicts especially when a conflict in reality has no clear legal basis, like:

- What the legislation commands (when it falls under the scope of the ombudsman).
- What rights and obligations the employees and employer have.
- If the cases are such that they fall under the scope of the *information and consultation procedure*.
- If some details are such that they cannot be handled by the EWC because of the stock exchange market legislation.

# The European Works Council – EWC

The [EWC](#) is the European level representation of the employees in the EU and ETA countries as defined in the [European legislation](#). It is also an upper level partner on the European level for the employers.

The EWC is also a partner in a process of cooperation and for finding solutions to decisions concerning and affecting the employees.

The EWC can be compared to the Executive participation on national level, but now transferred to the transnational EU/ETA area.

## Examples

# New realities through the EWCs

- Restructuring has become a continuous process and state of play
  - **The EWC can offer a continuous dialog**
- Working life is changing, including digitalisation and new ways to work
  - **The EWC can be a partner to discuss challenges and how to make the best**
- Productivity and efficiency are taken to the extreme
  - **The EWC can give feedback on challenges before they become too big**
- Employees skills and skill levels
  - **The EWC is in a position to advice where re- and up-skilling can best be focused**

The EWC has a strong interest in the success of the employer that ensures the best available working environment for the employees and that possible conflicts are avoided.

# Bringing everything together

A successful solution requires the different parties and bodies to be brought together for an openminded dialog. The path towards the solution includes:

- Cooperation on all national and transnational levels. The legal framework is a support.
- The EWC as an instrument for the introduction of new realities.
- The legal way (to argue) is never the first and only option for achieving a better solution for both business and employees.
- Instead of a negotiator or mitigator a persuader may open a new path for finding the solution.



# The Company, the EWC & the Ombudsman

In a cooperation between these parties we may together broker a solution in a conflict situation or a conflict that is about to arise.

- The Company evaluates the available options for action.
- The EWC is informed and consulted on the options and may add additional options.
- The Ombudsman is facilitating the process with the legal guidance and by acting as an independent authority.

The objective of everyone is a well functioning working place and employer with a strong business !

# Academic Engineers and Architects in Finland TEK

For further contact,  
questions and best  
practice, please contact

Dr. Daniel Valtakari  
Senior adviser

email: [Daniel@tek.fi](mailto:Daniel@tek.fi)

