

Codetermination and its regulation in Czech legal order

Abstract

This thesis deals with codetermination and its regulation in the Czech legal system.

The main goal of this thesis is to discover whether the current valid regulation enables companies to really utilise the benefits of codetermination, and alternatively under what circumstances it would.

The thesis firstly analyses the advantages and disadvantages of codetermination. This analysis aims to determine the main purpose and function of codetermination, which is according to the author mainly improvement of communication and cooperation of the employees and the board, alternatively the management. The thesis focuses mainly on three fundamental aspects of codetermination, them being the position of employees in the supervisory board, the appointment of employees in the supervisory board and subsequently the termination of the function in the supervisory board. The thesis takes into account both companies' and employees' point of view. Czech regulation does not take into account the special position of the employees in the supervisory board, whereby there's often a conflict of interests. The chapters regarding the appointment and termination of the function point out that it is possible for the company to influence the members of the supervisory board elected by employees. The last chapter presents the possible regulation of voluntary codetermination in joint-stock companies with a one-tier system.

The conclusion of the thesis summarizes that only a part of the legal regulation has a mandatory nature. It leaves a wide scope of action to the joint-stock companies that can set their own rules for codetermination in their corporate regulations. The valid legal regulation enables to set the codetermination as a beneficial instrument, but it simultaneously leaves space for the joint-stock companies to not use this benefit at all. According to the author, the legal regulation has one main deficiency. The deficiency is presented by the condition that the employment status has to persist during the entire term of the office of the employee in the supervisory board.

Keywords

Codetermination. Supervisory board. Joint-stock company.