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## Individual Characteristics of Work Council Members – Empirical Evidence\*\*

The main body of research on work councils has been conducted on a collective institutional level, neglecting work council members at an individual level. In times of changing industrial relations, the importance of work councils in management decision making has risen steadily and thus further research of its members is required. This paper sheds light onto work councillors as individuals by investigating personality and attitudinal characteristics using data from a large representative German dataset. The findings are gender-specific and suggest that female work councillors are more extraverted and exhibit a stronger internal Locus of Control, while male work councillors are more conscientious as compared to their non-councillor counterparts. Risk attitudes and reciprocity do not show as valid predictors of work council membership. Implications of the results are discussed.

**Key words:** work councils, Five Factor Model, risk aversion, locus of control, reciprocity

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## 1. Introduction

The research on the topic of industrial relations has grown significantly over the last decades. Notably, a variety of research questions – mainly concerning the determinants and economic outcomes of the existence of work councils – has been posed regarding the institution of the work council.<sup>1</sup> The main body of research has focused on work councils as collective organs, neglecting the people representing it at an individual level.

Changing industrial relations in Germany have been characterized by decentralisation (Müller-Jentsch 1997). This has led to an increased demand for bargaining at the establishment level (*Verbetrieblichung*) and consequentially to a much stronger involvement of work councils in managerial decision processes (Nienhüser/Hossfeld 2007). The enhanced knowledge of the individual bargaining partners is crucial in understanding the functioning of work councils. The increasing heterogeneity of industrial relations is also apparent in the research on types of work councils (e.g. Kotthoff 1981, 1994; Nienhüser 2005). To date, our knowledge of the action strategies of various types of work councils is limited. One factor in learning about the action strategies of work councils may be the individual characteristics and personality of its members.

For example, work councillors are exposed to conflicts of interests to a greater extent than other employees, which leads to emotional strain and stress.<sup>2</sup> Therefore, one may expect that only those who feel capable of dealing with such high levels of stress would take on a position within the work council. Yet, engaging in a work council provides the opportunity to make use of the rights of codetermination and thereby have the chance to participate in managerial decision processes. Nevertheless, only a very small fraction of the workforce is in fact a member of a work council. The basis for such individual action strategies in becoming a work councillor can be seen in the individual set of preferences and personality structure that determines emotions, thoughts, and behaviour (Pervin et al. 2005). Only recently, Borghans et al. (2008) have emphasized the linkage of personality measures from psychology and economic preferences, such as time preferences and risk aversion, with economic outcomes in general. As work councils – characterized by the actions of their individual members – are considered to impact on the performance of the company they work for, this strongly encourages looking at the individual.

The objective of the present paper is to shed light onto work councillors as individuals by investigating personality and attitudinal characteristics as determinants to work council membership. The following psychological and economic concepts are applied to differentiate among members and non-members of work councils: the *Five Factor Model*, *risk aversion*, *Locus of Control*, and *reciprocity*. The use of a large scale representative data set from Germany provides an opportunity to empirically analyse this paper's objective, which has, to the best knowledge of the author, not been made use of before. Recently, a number of behavioural and psychological concepts have been

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<sup>1</sup> See Addison et al. (2004) and Frege (2002) for reviews.

<sup>2</sup> Contributions to the description of role conflicts and resulting tensions have, among others, been made by Tietel (2006), Gulmo (2008), and Seidl (1999).

included in the questionnaires of the German Socio Economic Panel (GSOEP), which allows for the empirical investigation of individual characteristics as determinants to work council membership given an extensive set of control variables.<sup>3</sup> In particular, the 2005 survey includes detailed information on socio-economic background characteristics along with brief self-report measures of the *Big Five*, *Locus of Control*, and *reciprocity*. The 2004 survey contains a measure of risk attitudes in an occupational setting; the 2006 survey contains information on work council membership and a general risk attitude measure.

Related work by Nikolaou et al. (2008), Avery (2003), and LePine/van Dyne (2001) investigating the role of personality for the value of voice, understood as change oriented contribution of individuals to an organization (LePine/van Dyne 2001), relies on student samples, however does not focus on work councils in particular, and yields heterogeneous results.

The paper is structured as follows: Section 2 contains a description of the chosen psychological concepts followed by the derivation of expectations. Data and methodology are described in section 3. Results of the empirical analysis are presented in section 4. Following the descriptive analysis of the data, probit analyses are performed to further explore the impact of individual characteristics on work council membership. The paper concludes with a discussion and final remarks.

## 2. The psychology of personality and research on work councils

### *Big Five*

Trait theorists argue that differences in emotions, thoughts and behaviour of individuals – which constitute the personality – can be explained in terms of differences in personality traits (Pervin et al. 2005). However, disagreement among researchers about the number and character of the relevant personality traits has only recently resulted in consensus with the evolved general taxonomy in the Five Factor Model. This forms a hierarchical concept that encompasses five independent and relatively stable personality dimensions (*Extraversion*, *Neuroticism*, *Conscientiousness*, *Agreeableness* and *Openness*). The five factors allow for the differentiation of people by studying their individual ratings on the respective scales (John/Srivastava 1999; McAdams 2006).<sup>4</sup> The five factors are usually referred to as the “*Big Five*” as this denomination emphasizes the high level of abstraction of the factors (Goldberg 1981). Although there is controversy about the stability and heritability of the *Big Five* (McAdams 2006), there is evidence that personality is relatively stable from age thirty onwards (McCrae/Costa 2003) and traits are substantially and approximately heritable (Loehlin et al. 1998). Furthermore, differences in personality between men and women appear to exist because females score higher on the *Neuroticism* and *Agreeableness* scale (Costa et al. 2001). See table 1 for the

<sup>3</sup> Available data sets on industrial relations are collected from firms as a whole – thus not allowing the investigation of the individual characteristics of the employees. An exception is the German LIAB-Panel (Alda et al. 2005), hitherto not including any measures of personality.

<sup>4</sup> See John/Srivastava (1999) for an overview on the history and theoretical perspectives of the Big Five trait taxonomy.

definition of the *Big Five* personality factors with the respective scales and descriptive adjectives for high values.

**Table 1: The Big Five personality traits**

<b>Extraversion</b>
<i>Definition:</i> the degree to which a person needs attention and social interaction
<i>Adjectives:</i> active, assertive, energetic, enthusiastic, outgoing, talkative
<i>Scales:</i> warmth, gregariousness, assertiveness, activity, excitement-seeking, pos. emotions
<b>Neuroticism</b>
<i>Definition:</i> the degree to which a person experiences the world as threatening and beyond his/her control
<i>Adjectives:</i> anxious, self-pitying, tense, touchy, unstable, worrying
<i>Scales:</i> anxiety, hostility, depression, self-consciousness, impulsiveness, vulnerability
<b>Conscientiousness</b>
<i>Definition:</i> the degree to which a person is willing to comply with rules, norms, and standards
<i>Adjectives:</i> responsible, planful, efficient, organized, reliable, thorough
<i>Scales:</i> competence, order, dutifulness, achievement striving, self-discipline, deliberation
<b>Agreeableness</b>
<i>Definition:</i> the degree to which a person needs pleasant and harmonious relations to others
<i>Adjectives:</i> appreciative, forgiving, generous, kind, sympathetic, trusting
<i>Scales:</i> trust, straightforwardness, altruism, compliance, modesty, tender-mindedness
<b>Openness</b>
<i>Definition:</i> the degree to which a person needs intellectual stimulation, change and variety
<i>Adjectives:</i> artistic, curious, imaginative, insightful, original, wide interests
<i>Scales:</i> fantasy, aesthetics, feelings, actions, ideas, values

**Source:** McCrae/John (1992: 178-179) and Borghans et al. (2008: 983).

In general, *extraverts* are outgoing, active, and positively emotional (John/Srivastava 1999). They need attention and social contacts to a higher degree than do introverts. Conceivably, membership in a work council can be seen as a possibility to satisfy these needs to some extent. Furthermore, due to the positive affection and emotionality of extraverts, they tend to approach their environment proactively when they are dissatisfied, trying to shape their work environment in an active manner (Seibert et al. 1999). Making use of the rights to codetermination yields an opportunity for them to do so. It is expected that work councillors are extraverted to a greater extent than non-councillors (*E1a*).

In times of economic downturn, work councils are exposed to strong conflicts of interest between employees, trade unions and employers, potentially causing high levels of emotional strain and stress (Giesert/Tempel 2000). Since *Neuroticism* has a strong relation to stress-proneness (McAdams 2006), it is assumed that an involvement in the work council per se requires emotional stability to some extent, which is why work councillors are expected to be less neurotic than non-work councillors (*E1b*).

Individuals scoring high on the *Conscientiousness* dimension show responsibility for themselves and others. An involvement in the work council can be understood as an expression of such a characteristic. Also, members of work councils should usually

have better opportunities to influence issues within the company to their own benefit. The organized, thorough and determined attitudes of conscientious people can be interpreted as a basis for such “self-serving”, future-oriented behaviour, which leads to the expectation that members of work councils are more conscientious than non-members (*E1c*).

Due to their prosocial and collectivistic orientation towards others, *agreeable* people are altruistic, thankful and modest (John/Srivastava 1999). Transferring this idea to the field of work councils it can be argued that the successful implementation of the rights of codetermination in fields of divergent interest relies critically on a certain level of disagreeableness as claims have to be communicated and stood up for which can lead to conflict. Therefore, it is expected that work councillors score lower on the *Agreeableness* dimension than non-councillors (*E1d*).

The need for novelty, variety and complexity as well as the desire for new experiences can be related to the broad and complex dimension of *Openness* (McCrae 1996). An engagement in the work council might serve as a welcome change to routine experienced in the workplace. That is why members of work councils are expected to score higher on the *Openness* scale as compared to non-members (*E1e*).

### *Locus of Control*

Given the holistic character of the *Big Five* concept, Hough (1992) argues that the predictive power of the *Big Five* for important life outcomes is limited, which is why the consideration of further, more distinct characteristics, such as *Locus of Control (LOC)*, is suggested. The concept of *LOC* goes back to the work of Rotter (1966) and refers to the individual’s perception of the extent to which it can control the external environment that affects it. An internal *LOC* is associated with the individual’s belief of being able to influence and control things, while individuals with an external *LOC* believe that external powers (such as fate or chance) determine events. *LOC* has been found to influence a variety of work outcomes including job satisfaction and job performance (Judge/Bono 2001).<sup>5</sup>

The attempt to actively influence operational activities by making use of the rights of codetermination will only be developed and executed if an individual believes that it has a chance to alter and influence events, i.e. has an internal *LOC*. Ng et al. (2006) also found that people operating at higher levels of the institutional hierarchy exhibit a more internal *LOC*. The observation that work councils are engaged in leadership and power processes within a company, combined with the findings of Ng et al., leads to the expectation that members of work councils have a stronger internal *LOC* than non-members (*E2*).

### *Risk Aversion*

In contrast, *risk preferences* have been studied extensively within the field of economics (Borghans et al. 2008). It is plausible that risk attitudes not only impact the outcomes of specific decision situations, but also influence the probability of exposure to risky situations. Risk preferences concern the valuation of results dependent on their re-

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<sup>5</sup> For a recent meta-analysis on the influence of *LOC* in the workplace, see Ng et al. (2006).

spective uncertainty or risk (Borghans et al. 2008). Risk preferences as measured by hypothetical lotteries are relatively stable over time (Andersen et al. 2008). However, an overall measure of risk aversion might not be sufficient since Weber et al. (2002) have shown risk preferences to be domain-specific, e.g. concerning financial and health aspects. Also, there is ambiguous evidence concerning the relationship between socio-economic characteristics and risk preferences (Borghans et al. 2008). Gender specific evidence from field studies points to women being generally more risk averse than men, while the evidence from laboratory experiments is ambiguous (Eckel/Grossman 2008).

By law, German work councillors enjoy strong protection against dismissal.<sup>6</sup> As a consequence, employees with a strong preference for job security might consider the involvement in the work council as an instrument to reduce their unemployment risk. Furthermore, the degree of risk aversion is positively associated with the propensity to join a trade union (Goerke/Pannenberg 2008). The majority of work councillors are organized in unions although the share has declined consistently within the last decade (Fitzenberger et al. 2006; Goerke/Pannenberg 2007). This also points at a positive relationship between risk aversion and the probability of being a work councillor. On the other hand, one could argue that work councillors are at even greater risk of being dismissed in the case of not being re-elected. It is assumed that the high re-election shares usually observed (Niedenhoff 2007) indicate a middle- to long-term perspective as well as a relative constancy of the work council function. Therefore, work councillors are expected to be more risk averse than non-councillors (E3).

### *Reciprocity*

The concept of *reciprocity* refers to a basic tendency of human behaviour that is found as a behavioural norm in most societies (Gouldner 1960). Unlike altruism, which is a form of unconditional kindness, *reciprocity* involves a conditional behaviour dependent on the experiences of the individual.<sup>7</sup> “Reciprocity means that in response to friendly actions, people are frequently much nicer and much more cooperative [...]; conversely, in response to hostile actions they are frequently much nastier and even brutal” (Fehr/Gächter 2000: 159). Negative *reciprocity* also includes accepting losses in order to harm the other person.<sup>8</sup> Most researchers agree that *reciprocity* is a relatively stable behavioural response (Fehr/Gächter 2000). Therefore, *reciprocity* can be interpreted as an attribute of individual preferences or even as a personality dimension (Perugini/Gallucci 2001). Nevertheless, evidence from experiments and the theoretical modelling of *reciprocity* indicates that positive and negative *reciprocity* could have different underlying traits (Dohmen et al. 2008).

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<sup>6</sup> See §15 of the German Dismissals Protection Act.

<sup>7</sup> For reviews on the research of reciprocity, see for example Fehr/Gächter (2000), Fehr/Schmidt (2006), and Sethi/Somanathan (2003).

<sup>8</sup> This is illustrated in ultimatum games, where person A proposes the division of a fixed amount of money to person B. If B accepts the proposal, the sum is divided as suggested. If B rejects, both receive nothing. A common finding is that if the share offered is too small (e.g. less than 30%) the proposal is rejected with a very high probability, thus indicating limited self-maximizing behaviour (Fehr/Gächter 2000).

In terms of positive *reciprocity*, it can be argued that some employees engage in the work council because they either want to reciprocate nice behaviour experienced within the workforce (e.g. a pleasant working atmosphere) or give something back to repay the work and dedication of former members of the work council. Thus, work councils are expected to be more positively reciprocal than non-councillors (*E4a*). The derivation of an expectation concerning tendencies of negative *reciprocity* within the group of work councillors seems straight forward: If an employee has experienced unfair actions by the employer in the past, the engagement in the work council can be seen as an instrument to fight back and protect oneself against such unfair behaviour, which is why work councillors can be expected to be more negatively reciprocal than non-councillors (*E4b*).

### 3. Data and methods

Data from three waves of the German Socio Economic Panel (GSOEP) is used.<sup>9</sup> The data set provides a wide range of information on the socio-economic background of the individuals as well as on working conditions and employer characteristics, along with measures of personality and attitudes. However, some of the information required for the proposed analysis of individual characteristics is only available in single years of the survey. For example, the waves of 2003 and 2006 contain information on work council membership. The 2005 survey includes brief self-report measures of the *Big Five*, *LOC*, and *reciprocity*. A single-item measure of the general attitude towards risk is surveyed yearly. Considering that risk attitudes are rather domain specific (Weber et al. 2002) this variable might be inappropriate. Instead, the 2004 wave contains risk indicators of various domains, such as health, personal finance, and occupational setting, the latter of which appears reasonable to examine E3. However, both risk measures are included in the analysis. The *Big Five* personality factors are measured by three items each on a 15-item scale that has been conceptualized and validated for the use in the extensive GSOEP survey (Gerlitz/Schupp 2005). *LOC* is assessed by a 10-item scale, while positive and negative *reciprocity* are surveyed with three items each. For details of the central variables to assess individual characteristics see table A1 in the appendix. The available data only allow for a cross-sectional empirical analysis as a repetition of the concepts in question has not been carried out at the time of writing this paper.

The information on work council membership (“Are you yourself a member of the employees’ council?”) is taken from the 2006 wave. Given the relative stability of the proposed personality and attitudinal concepts, the data from the waves of 2004/2005 and 2006 have been matched.

As only those employees who can legally become work councillors are relevant, all individuals working in companies with a minimum of five employees are included

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<sup>9</sup> Within the GSOEP, a representative sample of the German population has been surveyed since 1984. The longitudinal data provides a wide range of information on the living conditions of individuals and their respective households. The data also allows differentiation among several sub-groups, e.g. individuals living in eastern and western Germany, foreigners and immigrants. For the documentation of the data set and its variables, see Haisken-DeNew/Frick (2005).

in the sample.<sup>10</sup> Sample selection results in 7508 observations including 408 work councillors.

Research on the determinants of the probability of work council existence has found tenure, firm size, region, and industry sector to be influential (Addison et al. 2003). Variables on the socio-economic background (e.g. age, education, and citizenship), further the political orientation and the occupational status (blue collar vs. white collar) of individuals are included as control variables since they have shown to determine the probability of trade union membership, which is correlated to work council membership (Goerke/Pannenberg 2007).<sup>11</sup> See table A2 for a list and definition of all variables and table A3 for correlations of the main variables.

Following the descriptive analysis of the data, standard probit models are estimated in order to further explore the impact of individual characteristics on the probability of work council membership. Since the dependent variable is a binary variable which can only take on the values 1 and 0 (e.g. if a person is a work council or not) conventional regression methods are inappropriate in most cases (Greene 2008). Instead, a probit model can be derived by estimating the latent (unobserved) probability of a person to be a work councillor:

$$WC^* = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon,$$

where  $WC^*$  is the tendency to be a work councillor,  $\beta_0$  refers to the constant term,  $\beta_1 x_1$  to the set of personality and attitudinal variables,  $\beta_2 x_2$  to the socio-economic background of the individuals,  $\beta_3 x_3$  to characteristics of the workplace and the employer, and  $\varepsilon$  to the independent, normally distributed error term. If the latent variable exceeds a certain threshold, the (observed) indicator variable  $WC$  changes from zero to one, e.g.  $WC=1$  if  $WC^*>0$ , and  $WC=0$  if  $WC^*<0$ . The estimation of the  $\beta$ -coefficients follows the maximum-likelihood-principle of maximizing the probability to observe the chosen sample, and reveals information on the ceteris paribus effects of the explanatory variables on the probability of work council membership (Greene 2008). Three specifications are estimated: model (1) only includes the respective measures of personality,<sup>12</sup> model (2) includes additional controls for the socio-economic back-

<sup>10</sup> Work Councils can be elected in all establishments with a minimum of five employees (§ 1 of the German Works Constitution Act). Thus, even cases where the answer to the item asking for the existence of a work council at the plant is “no” are included if the individual works at an establishment with a minimum of five employees, as a work council could potentially be established. Unemployed people are excluded from the sample since they cannot become members of work councils.

<sup>11</sup> The information on trade union membership is only available in the waves of 2003 and 2007 and is therefore not included as a control. Further, conventional determinants like the age of the company, share of female and part-time workers, share of blue- and white collar workers in the firm (Addison/Schnabel 2003) cannot be controlled, as the data set is based on the individual and the household rather than the firm.

<sup>12</sup> Essentially, correlations among the main variables of interest (see table A3) indicate the constructs to be sufficiently independent from each other, which allows them to be included together in the regression analysis. Exceptions refer to the risk measures as well as *LOC* and *Neuroticism*. However, hierarchical regression analysis as a robustness check did

ground of the individuals, model (3) includes extra variables reflecting workplace and employer characteristics. All analyses are performed separately on men and women, as they have been shown to differ significantly in several personality and attitudinal aspects (Costa et al. 2001; Eckel/Grossman 2008). To be able to quantify the effects, marginal effects at the mean are calculated from the estimates.

## 4. Results

### *Descriptive statistics*

When reviewing the results of mean-comparison t-tests in table 2, it becomes obvious that work councillors differ from non-councillors in personality and attitudinal characteristics, but that effects are gender specific.

On average, work councillors exhibit significantly higher levels of *Extraversion* as compared to non-councillors. This effect seems to be much stronger for women underlining the validity of E1a. On average female work councillors score 6.44% higher on the *Extraversion* dimension as compared to female non-work councillors. For *Neuroticism*, the results also support the proposed relationship, since work councillors, on average, score lower on this dimension than non-councillors, thus indicating the higher emotional stability of work council members. However, the statistical significance of this observation for the female sample is only weak. In contrast, the mean values of *Conscientiousness* are found to be significantly different in the male sample only. Work councillors, on average, score slightly higher on the *Conscientiousness* scale than non-councillors, which is in line with E1c. No differences in the group means are found in the *Agreeableness* dimension and therefore E1d has to be rejected. Furthermore, female work councillors are found to score significantly higher on the *Openness* dimension which is in line with E1e. This result is found to be insignificant for the sample of male work councillors.

When looking at the mean scores for *LOC*, female work councillors have a slightly stronger internal *LOC* as compared to female non-councillors. Statistically, this result is highly significant. In contrast, male members of work councils even seem to have a slightly more external *LOC*, but this is not statistically significant.

Gender specific evidence is also found in the risk attitude measures as women involved in the work council seem to be more willing to take risks, whereas male councillors show significantly higher levels of risk aversion, as compared to their non-councillor counterparts. Thus, E3 does not hold for the female sample from a descriptive point of view, moreover the data indicate the reverse effect.

As expected, work councillors, on average, show higher scores of positive *reciprocity* and support E4a. However, this result is insignificant for the female sample. Also, the mean values of negative *reciprocity* do not differ significantly between groups of work councillors and non-work councillors. Therefore, vengeful behaviour does not seem to play a significant role in work council membership, and E4b does not hold.

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not yield significant changes in the results when including them separately into the regression.

**Table 2: Results of the descriptive analysis: Mean-comparison test**

Variable	Total Sample (n=7508)		Female Sample (n=3506)		Male Sample (n=4002)	
Work council (WC)	5.43%		4.91%		5.90%	
	mean	p-value (t-test)	mean	p-value (t-test)	mean	p-value (t-test)
<i>Big Five</i>						
Extraversion (WC=1)	5.0415	(**)	5.3712	(***)	4.8137	()
Extraversion (WC=0)	4.8902		5.0462		4.7524	
Neuroticism (WC=1)	3.7640	()	3.9061	(*)	3.6650	()
Neuroticism (WC=0)	3.8471		4.0963		3.6265	
Conscientiousn. (WC=1)	6.0692	(**)	6.0583	()	6.0768	(**)
Conscientiousn. (WC=0)	5.9756		6.0323		5.9253	
Agreeableness (WC=1)	5.4094	()	5.5657	()	5.3007	()
Agreeableness (WC=0)	5.4005		5.5674		5.2533	
Openness (WC=1)	4.6436	()	4.8826	(**)	4.4780	()
Openness (WC=0)	4.5537		4.6384		4.4790	
<i>Locus of Control</i>						
LOC (WC=1)	4.5056	()	4.5406	(***)	4.4817	()
LOC (WC=0)	4.4679		4.4080		4.5206	
<i>Risk aversion</i>						
Risk aversion general (WC=1)	4.8092	()	4.7394	(**)	4.8578	(**)
Risk aversion general (WC=0)	4.7780		4.3247		5.1787	
Risk aversion occ. (WC=1)	3.9682	()	3.7958	()	4.0882	(**)
Risk aversion occ. (WC=0)	4.0940		3.6516		4.4812	
<i>Reciprocity</i>						
Positive reciprocity (WC=1)	5.9750	(**)	5.9554	()	5.9886	(*)
Positive reciprocity (WC=0)	5.8711		5.8629		5.8783	
Negative reciprocity (WC=1)	3.0937	()	2.7476	()	3.3300	()
Negative reciprocity (WC=0)	3.1237		2.9130		3.3092	

Source: GSOEP (2004-2006).

Displayed are mean values for the respective groups of work councils and non-work councils. \*\*\* (\*\*, \*): Differences between the average values of work councillors and non-work councillors are significant at a level of 1% (5%, 10%).

### *Estimation results*

When inspecting the estimated marginal effects of the probit analysis displayed in table 3, major findings from the descriptive analysis are supported by the regression analysis. The estimates of all variables – including the controls are reported in table A4 in the appendix and are not discussed here in detail. Nevertheless, the political orientation, tenure and firm size are found to significantly influence the probability of employees becoming a work councillor. The values of Mc Fadden's  $R^2$  indicate the model specification to be adequate, since the full model explains a significant share of the variance of work council membership as compared to models (1) and (2), while relevant effects remain robust.

**Table 3: Main results of the probit analysis – Work council membership and individual characteristics**

Variables	Female Sample			Male Sample		
	1	2	3	1	2	3
Extraversion	0.007* (0.004)	0.008** (0.004)	0.008** (0.004)	0.006 (0.004)	0.004 (0.004)	0.004 (0.004)
Neuroticism	-0.002 (0.004)	-0.002 (0.004)	-0.001 (0.003)	0.003 (0.004)	0.002 (0.004)	0.002 (0.003)
Conscientiousness	-0.007 (0.005)	-0.006 (0.005)	-0.006 (0.004)	0.014** (0.006)	0.009* (0.006)	0.009* (0.005)
Agreeableness	-0.005 (0.005)	-0.004 (0.005)	-0.003 (0.004)	-0.001 (0.005)	0.001 (0.005)	0.001 (0.004)
Openness	0.004 (0.004)	0.003 (0.004)	0.002 (0.003)	-0.002 (0.004)	0.000 (0.004)	-0.000 (0.003)
RA general	0.003 (0.002)	0.003 (0.002)	0.002 (0.002)	-0.002 (0.002)	-0.002 (0.002)	-0.002 (0.002)
RA occ. context	-0.002 (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.002 (0.002)	-0.001 (0.002)	0.000 (0.002)
Locus of Control	0.014* (0.008)	0.013* (0.008)	0.011* (0.007)	-0.011 (0.008)	-0.008 (0.008)	-0.006 (0.007)
Positive reciprocity	0.001 (0.005)	0.001 (0.005)	-0.001 (0.004)	0.007 (0.005)	0.007 (0.005)	0.004 (0.004)
Negative reciprocity	-0.005 (0.003)	-0.004 (0.003)	-0.004 (0.003)	0.002 (0.003)	0.002 (0.003)	0.002 (0.003)
Controls for socio-eco. background	no	yes	yes	no	yes	yes
Controls for workpl./ employer	no	no	yes	no	no	yes
Wald Test	20.72	39.56	108.47	18.62	61.36	141.33
Pseudo-R <sup>2</sup>	0.0215	0.0410	0.1134	0.0137	0.0451	0.1041
Observations	2514	2514	2432	2953	2953	2919

Source: GSOEP (2004-2006).

Dependent variable: Work council yes/no. Displayed are marginal effects of a probit analysis.

Standard errors in brackets. \*\*\* (\*\*, \*): significant at level of 1% (5%, 10%).

A weakly significant positive effect of *Extraversion* is found in the female sample in all specifications, therefore women in work councils appear to be more socially interactive and outgoing than female non-work councillors. The marginal effects reveal that the probability of work council membership increases by roughly 1% for an infinitesimal change on the *Extraversion* scale which is a rather large effect when considering that the unconditional mean of female work councillorship is smaller than 5% in the sample. *Conscientiousness* is found to significantly influence work council membership for male employees, which is in line with the results from the descriptive analysis. The size of the effect is slightly bigger than the described effect of *Extraversion* in the female sample. For *Agreeableness*, *Neuroticism* and *Openness*, no significant influences are found. Thus, E1b, E1d and E1e are not supported. One can argue that the lack of a significant effect observed in the *Openness* dimension is due to its complexity. A tendency to *Openness* could rather be applied to other contexts, e.g. having various hob-

bies could also be seen as welcome change from boredom and routine at work. At least, this is seen to be in line with findings that show that *Conscientiousness* is the only dimension that consistently predicts performance in workplace settings (Hogan/Onez 1997), which also seems to hold for *Extraversion* (Barrick/Mount 1991).

The *LOC* coefficients reveal that female employees with a greater internal *LOC* exhibit a significantly higher probability of being a member of a work council as compared to female employees with a more external *LOC*. The effect is remarkable for woman since the likelihood of being a work councillor increases on average by 1.1% (in the most demanding specification) when scoring slightly higher on the *LOC* scale. When estimating the marginal effects at upper values of the 7-point Likert scale, the results indicate even stronger changes in the probability of work council membership for women, e.g. an increase by 3.4% when changing from 6 to 7. Therefore, women who feel that they have control and can make change according to their interests are significantly more likely to make use of their codetermination rights, which supports the validity of E2.

In contrast, the probit analysis of risk attitudes in general and in the occupational context of work council membership does not yield any significant influence of the variables and E3 is not confirmed. Also, reciprocal tendencies do not significantly influence the probability of work council membership. In contrast, robustness checks with low and top scorers on each personality and attitudinal construct yield that a highly significant (1% level) negative effect of positive *reciprocity* and a significant negative effect of negative *reciprocity* (10% level) can be observed for males, indicating that less reciprocal males are more likely to be a work councillor when scoring relatively low on this scale.<sup>13</sup> Also, a highly significant negative effect of *Extraversion* of 2-3% can be observed for men and women among low scorers. Interestingly, this is the reverse of the effect observed for the total sample and points to the need for a minimum level of *Extraversion* to be a work councillor.

To sum up, the findings concerning individual characteristics as determinants of work council membership are highly gender-specific – no effect holds for both men and women. Female work councillors are more extraverted and exhibit a stronger internal *LOC*, while male work councillors are more conscientious than their non-councillor counterparts. Furthermore, certain levels of *Extraversion* and *reciprocity* are needed to become a work councillor.

## 5. Discussion

When institutions of industrial relations erode, the individual actors and their behaviour gain significance. The major contribution of this study is the adoption of an individual perspective towards work councils that has hitherto been neglected, and the empirical analysis using a large representative data set. To the knowledge of the author, a large scale investigation of individual personality and attitudinal characteristics of work councillors has not been undertaken to date. The GSOEP data analysed here enables the investigation of a representative sample of the German workforce using about 7500 observations.

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<sup>13</sup> The results can be obtained from the author on request.

Work council members are found to significantly differ in personality and attitudinal characteristics from other employees. This has important implications in terms of understanding the functioning of work councils, which are essentially determined by their members. An improved knowledge of the personality and attitudinal characteristics of work councillors (as fundamentals of emotions, thoughts, and behaviour) should benefit the overall understanding of the institution of the work council.

Striking gender-specific findings suggest that women in work councils are relatively extraverted, and as their internal *LOC* implies, they tend to believe in being able to instigate change, which is associated with taking on an active role, and speaking up at work. Male work councillors on the other hand are conscientious and positively reciprocal, which is argued to be associated to a more passive role within the work council. Men involved in the work council might have different motives towards work council membership than women. The former might be less focused on actively influencing organizational outcomes, and more on simply being part of the work council. This argument is supported by research on gender stereotypes among leaders. According to Gmür (2004), female leaders are expected to conform more strongly to masculine stereotypes than male leaders in order to be a “good leader”. Presumably, this also holds true for work councillors, seeing that they are part of the leadership system of a firm.

Interesting findings, which are related, are presented by Bach et al. (2009), who found turnaround managers to differ significantly from line managers in the *Big Five* personality traits. The resulting personality structure of turnaround managers parallels the proposed expectations of the *Big Five* dimensions for work councillors. Therefore, work councillors might be quite similar to turnaround managers. A closer look at the careers of work councillors prior and subsequent to their involvement as employee representatives might reveal additional information. On the one hand, this career information could increase knowledge on motives, while on the other hand, an investigation of subsequent career paths may hint at work councillors shifting their position within the leadership system towards management functions. Since this is beyond the scope of this paper, it is left to be clarified by future research.

A practical implication of the findings regarding the cooperation with work councils is that work councillors have to be taken seriously and be given the feeling that they and their work are appreciated (though for different reasons for men and women). As female work councillors seem to have a more active role within the work council, it follows that they seek acceptance as serious negotiating partners of important issues within the company. As male work councillors become member of work councils mainly in order to participate, taking them seriously is important to maintain their “raison d’être”. It is important then, to inform and involve work councillors (not necessarily at a level that requires initiative and action from them) to ensure their continuous loyalty and support.

A limitation of this study concerns the cross-sectional character of the analysis that is unable to account for the individual heterogeneity of the respondents. Nevertheless, the results could shed some light on the unobserved effects since personality attitudes influence emotions, thoughts, and behaviour at a fundamental level and account, to some extent, for the unobservable. The analysis should be repeated when the personality and attitudinal scales are included in the GSOEP questionnaire a second time.

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## Appendix

**Table A1: Items used from the GSOEP – Main constructs**

<b>Big Five (I see myself as someone who ...)</b>	
Extraversion	<ul style="list-style-type: none"> <li>• is communicative, talkative</li> <li>• is outgoing, sociable</li> <li>• is reserved (-)</li> </ul>
Neuroticism	<ul style="list-style-type: none"> <li>• worries a lot</li> <li>• gets nervous easily</li> <li>• is relaxed, handles stress well (-)</li> </ul>
Conscientiousness	<ul style="list-style-type: none"> <li>• does a thorough job</li> <li>• tends to be lazy (-)</li> <li>• does things effectively and efficiently</li> </ul>
Agreeableness	<ul style="list-style-type: none"> <li>• is sometimes somewhat rude to others (-)</li> <li>• has a forgiving nature</li> <li>• is considerate and kind to others</li> </ul>
Openness	<ul style="list-style-type: none"> <li>• is original, comes up with new ideas</li> <li>• values artistic experiences</li> <li>• has an active imagination</li> </ul>
Scale: 1 (does not apply to me at all) – 7 (applies perfectly)	
<b>Locus of Control</b>	
	<ul style="list-style-type: none"> <li>• How my life goes depends on me</li> <li>• Compared to other people, I have not achieved what I deserve</li> <li>• What a person achieves in life is above all a question of fate or luck (-)</li> <li>• If a person is socially or politically active, he/she can have an effect on social conditions</li> <li>• I frequently have the experience that other people control my life (-)</li> <li>• One has to work hard in order to succeed</li> <li>• If I run up against difficulties in life, I often doubt my own abilities (-)</li> <li>• The opportunities that I have in life are determined by the social conditions (-)</li> <li>• Inborn abilities are more important than any efforts one can make (-)</li> <li>• I have little control over the things that happen in my life (-)</li> </ul>
Scale: 1 (does not apply to me at all - external LOC) – 7 (applies perfectly - internal LOC)	
<b>Risk aversion</b>	
	<ul style="list-style-type: none"> <li>• Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks? (2006)</li> <li>• People can behave differently in different situations. How would you rate your willingness to take risks in the following areas? How is it in your occupation? (2004)</li> </ul>
Scale: 0 (risk averse) – 10 (fully prepared to take risks)	
<b>Reciprocity</b>	
Positive Reciprocity	<ul style="list-style-type: none"> <li>• If someone does me a favor, I am prepared to return it</li> <li>• I go out of my way to help somebody who has been kind to me before</li> <li>• I am ready to undergo personal costs to help somebody who helped me before</li> </ul>
Negative Reciprocity	<ul style="list-style-type: none"> <li>• If I suffer a serious wrong, I will take revenge as soon as possible, no matter what the cost</li> <li>• If somebody puts me in a difficult position, I will do the same to him/her</li> <li>• If somebody offends me, I will offend him/her back</li> </ul>
Scale: 1 (does not apply to me at all) – 7 (applies perfectly)	

Source: Individual question forms GSOEP (2004/2005/2006). A dimensions' value is calculated as the average of the values of the corresponding items. Items marked with "(-)" are negatively poled and reversed for calculation purposes.

**Table A2: Definition of all variables**

Variable	Definition
<i>Work council membership</i>	
Work council	1, if a person is a member of a work council in 2006, else 0.
<i>Individual Characteristics – Personality and attitudinal concepts</i>	
Extraversion	1, does not apply to me at all, 7, applies perfectly.
Neuroticism	1, does not apply to me at all, 7, applies perfectly.
Conscientiousness	1, does not apply to me at all, 7, applies perfectly.
Agreeableness	1, does not apply to me at all, 7, applies perfectly.
Openness	1, does not apply to me at all, 7, applies perfectly.
Locus of Control	1, strong internal LOC, 7, strong external LOC.
Risk aversion general	0, if totally risk averse, 10, if fully prepared to take risks.
Risk aversion occupational context	0, if totally risk averse, 10, if fully prepared to take risks.
Positive reciprocity	1, does not apply to me at all, 7, applies perfectly.
Negative reciprocity	1, does not apply to me at all, 7, applies perfectly.
<i>Socio-economic characteristics</i>	
Age	Age
Age <sup>2</sup>	Age, squared
Female	1, if a person is a woman, 0 if a person is a man.
9 ys of school (Haupt)	1, if a person has finished 9 years of school, else 0.
10 ys of school (Real)	1, if a person has finished 10 years of school, else 0.
12 ys of school (Fachabi)	1, if a person has finished 12 years of school, else 0.
13 ys of school (Abi)	1, if a person has finished 13 years of school, else 0.
Other school leaving cert.	1, if a person has another school leaving certificate, else 0.
No school leaving cert.	1, if a person has no school leaving certificate at all, else 0.
Vocational qualification	1, if a person has a vocational qualification, else 0.
University degree	1, if a person has a university degree, else 0.
No vocational qualificat.	1, if a person has no vocational/university qualification, else 0.
German	1, if a person has German citizenship, else 0.
Prefers SPD	1, if a person prefers SPD as political party, else 0.
Prefers CDU/CSU	1, if a person prefers CDU/CSU as political party, else 0.
Prefers other party	1, if a person prefers other political party, else 0.
<i>Workplace and employer characteristics</i>	
Blue-collar worker	1, if a person is a blue-collar worker, else 0.
White-collar worker	1, if a person is a white-collar worker, else 0.
Public servant	1, if a person is a public servant, else 0.
Tenure	Length of tenure
Tenure <sup>2</sup>	Length of tenure, squared
Public sector employment	1, if a person is employed in the public sector, else 0.
Firm size 5-19	1, if firm employs 5-19 workers, else 0.
Firm size 20-199	1, if firm employs 20-199 workers, else 0.
Firm size 200-1999	1, if firm employs 200-1999 workers, else 0.
Firm size 2000+	1, if firm employs 2000 and more workers, else 0.
Workplace East	1, if a person is working in Eastern Germany, else 0.
<i>Industry dummies</i>	
Agriculture, forestry and fish farming	1, if a person is employed in the sector of agriculture, forestry or fish farming, else 0.
Mining	1, if a person is employed in the mining sector, else 0.
Textile-, leather and wood-working industry	1, if a person is employed in the textile-, leather and wood-working industry, else 0.
Chemical industry and rubber	1, if a person is employed in the chemical industry, else 0.
Metal industry	1, if a person is employed in the metal industry, else 0.
Machine- and vehicle construction	1, if a person is employed in the machine- and vehicle construction industry, else 0.
Electronic industry	1, if a person is employed in the electronic industry, else 0.
Food industry	1, if a person is employed in the food industry, else 0.
Building industry	1, if a person is employed in the building industry, else 0.
Trade	1, if a person is employed in the trade sector, else 0.
Transportation	1, if a person is employed in the transportation sector, else 0.
Financial services	1, if a person is employed in the financial service sector, else 0.
Service sector	1, if a person is employed in the service sector, else 0.
Non-Profit-Organizations	1, if a person is employed in the non-profit sector, else 0.

Table A3: Correlations of main variables

Variable	M	SD	1	2	3	4	5	6	7	8	9	10
1 Extraversion	4.8828	1.1256										
2 Neuroticism	3.9076	1.2030	-0.1644**									
3 Conscientiousness	5.9266	0.9099	0.1788**	-0.1061**								
4 Agreeableness	5.4194	0.9685	0.1013**	-0.1234**	0.3110**							
5 Openness	4.5550	1.1728	0.3683**	-0.0739**	0.1570**	0.1356**						
6 RA general	4.7453	2.2791	0.1856**	-0.1423**	-0.0349**	-0.0974**	0.1924**					
7 RA occ. context	4.0008	2.5975	0.1440**	-0.0900**	-0.0249**	-0.0997**	0.1777**	0.6009**				
8 Locus of Control	4.4246	0.5823	0.2014**	-0.2872**	0.1834**	0.1015**	0.1114**	0.1480**	0.1487**			
9 Pos. reciprocity	5.8706	0.8965	0.1561**	-0.0387**	0.2608**	0.1909**	0.1971**	0.0572**	0.0266**	0.0899**		
10 Neg. reciprocity	3.1548	1.4407	-0.0474**	0.1042**	-0.1699**	-0.3728**	-0.0534**	0.0744**	0.0672**	-0.1608**	0.0303**	
11 Work Council	0.0543	0.2267	0.0333*	-	-	-	-	-	-	-	0.0257*	-

Source: GSOEP (2004-2006). \*\* significant at 0.01 level; \* significant at 0.05 level; - not significant at 0.10 level

Table A4: Marginal effects of the probit analysis – Work council membership and individual characteristics

Variables	Female Sample			Male Sample		
	1	2	3	1	2	3
Extraversion	0.007* (0.004)	0.008** (0.004)	0.008** (0.004)	0.006 (0.004)	0.004 (0.004)	0.004 (0.004)
Neuroticism	-0.002 (0.004)	-0.002 (0.004)	-0.001 (0.003)	0.003 (0.004)	0.002 (0.004)	0.002 (0.003)
Conscientiousness	-0.007 (0.005)	-0.006 (0.005)	-0.006 (0.004)	0.014** (0.006)	0.009* (0.006)	0.009* (0.005)
Agreeableness	-0.005 (0.005)	-0.004 (0.005)	-0.003 (0.004)	-0.001 (0.005)	0.001 (0.005)	0.001 (0.004)
Openness	0.004 (0.004)	0.003 (0.004)	0.002 (0.003)	-0.002 (0.004)	0.000 (0.004)	-0.000 (0.003)
Risk aversion generell	0.003 (0.002)	0.003 (0.002)	0.002 (0.002)	-0.002 (0.002)	-0.002 (0.002)	-0.002 (0.002)
Risk aversion occupationa context	-0.002 (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.002 (0.002)	-0.001 (0.002)	0.000 (0.002)
Locus of Control	0.014* (0.008)	0.013* (0.008)	0.011* (0.007)	-0.011 (0.008)	-0.008 (0.008)	-0.006 (0.007)
Positive reciprocity	0.001 (0.005)	0.001 (0.005)	-0.001 (0.004)	0.007 (0.005)	0.007 (0.005)	0.004 (0.004)
Negative reciprocity	-0.005 (0.003)	-0.004 (0.003)	-0.004 (0.003)	0.002 (0.003)	0.002 (0.003)	0.002 (0.003)
Age		0.002 (0.003)	-0.002 (0.003)		0.012*** (0.003)	0.005* (0.003)
Age <sup>2</sup>		-0.000 (0.000)	0.000 (0.000)		0.000*** (0.000)	-0.000* (0.000)
German		0.012 (0.024)	0.007 (0.020)		0.026 (0.022)	0.030 (0.021)
9 years of school		0.027 (0.058)	0.016 (0.046)		0.017 (0.039)	0.006 (0.031)
10 years of school		-0.009 (0.043)	-0.016 (0.035)		0.004 (0.036)	-0.005 (0.028)
12 years of school		0.006 (0.052)	-0.005 (0.034)		-0.009 (0.034)	-0.012 (0.026)
13 years of school		0.018 (0.051)	0.006 (0.040)		-0.016 (0.033)	-0.018 (0.027)
Other school leaving certificate		-0.020 (0.030)	-0.014 (0.025)		-0.031 (0.022)	-0.026 (0.017)
Vocational certificate		0.007 (0.010)	0.006 (0.008)		-0.007 (0.012)	-0.004 (0.010)
University degree		0.004 (0.012)	-0.000 (0.011)		-0.009 (0.014)	-0.008 (0.012)
Prefers SPD		0.011 (0.011)	0.006 (0.009)		0.035*** (0.013)	0.022** (0.011)
Prefers CDU/CSU		-0.005 (0.011)	-0.004 (0.009)		0.009 (0.012)	0.007 (0.010)
Tenure			0.004*** (0.001)			0.005*** (0.001)
Tenure <sup>2</sup>			0.000** (0.000)			0.000*** (0.000)
Workplace east			-0.005 (0.008)			0.000 (0.010)
Firm size 20-99			0.115*** (0.034)			0.249*** (0.062)
Firm size 100-199			0.126*** (0.041)			0.130** (0.053)
Firm size 200-1999			0.067*** (0.023)			0.114*** (0.035)
Firm size 2000+			0.052** (0.021)			0.106*** (0.031)
Public sector employment			0.024 (0.022)			-0.026 (0.019)
Controls for industry			yes			yes
Wald Test	20.72	39.56	108.47	18.62	61.36	141.33
Pseudo-R <sup>2</sup>	0.0215	0.0410	0.1134	0.0137	0.0451	0.1041
Observations	2514	2514	2432	2953	2953	2919

Source: GSOEP (2004-2006). Displayed are marginal effects. Standard errors in brackets.

\*\*\* (\*\*, \*): significant at level of 1% (5%, 10%). Reference categories are: no school certificate, no vocational certification, prefers other party.