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Works Councils, Wages, and Job Satisfaction

by Christian Grund, Andreas Schmitt
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Abstract:

We investigate the effects of works councils on employees' wages and job satisfaction in general and for subgroups with respect to sex and occupational status. Making use of a German representative sample of employees, we find that employees who move to a firm with a works council, report increases in job satisfaction, but do not receive particular wage increases. Especially the job satisfaction of female employees is affected by a change in works council status. However, we do not find support for the hypothesis that the introduction of a works council itself increases wages or job satisfaction for the employees staying at the firm.

Text: See [Discussion Paper No. 5464](#)

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