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*Ownership, control, compensation and restructuring
of Estonian enterprises
- preliminary results from a manager survey*

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Ownership, control, compensation and restructuring of Estonian enterprises - preliminary results from a manager survey

1. Background for the survey and research questions

The manager survey is part of an ongoing research project on governance and enterprise restructuring. We have made studies on ownership and economic performance for a large sample of companies in the Baltic States based on ownership surveys and data from balance sheets and income statements as reported to the statistical departments. However, we needed deeper knowledge about the extent to which ownership actually meant dominant control by the group of majority owners or to what extent the managers dominated both strategic and operational decisions in the enterprise. We also needed deeper information on the questions connected to compensation systems for managers and other employees and we wanted more information about different indicators of restructuring.

The main research questions concern the variation on different types of ownership, which is divided in majority ownership by state, foreign, domestic external, managers, other employees or no majority. The survey also distinguishes between different origins based on information from the 1995 ownership survey. The origins can be divided into: still state owned, privatized, cooperatives, or established directly as new private firms. The last category also includes “new cooperatives” established in the end of the 1980’es and the start of the 1990’es.

The research questions concern the relation between ownership structures on one side and on the other side: 1: the relation between ownership and control; 2: compensation systems for managers and other employees; and 3: different forms of restructuring.

1. How is the relation between difference types of ownership and the influence of different groups? How is the owners’ governance of managers?

Sub-questions:

1a. Is there correspondence between the type of owners and their representation in the company boards.

1b. How strong is the managers’ position in the board?

1c. How do the managers perceive the influence of different groups on different decision areas both covering operational and the strategic decision levels?

1.d To what degree are the employees members of unions?

1 e. What are the most important channels for employee influence?

2. How do the compensation systems for managers and other employees vary with the different type of ownership structures?

3. Do the degree and type of restructuring vary over time and between the different types of ownership?

2. The Estonian Manager Survey

The survey was done in cooperation with the Estonian Statistical Office (ESA). The instrument was designed by Niels Mygind. The first 3 pilot surveys were done in November 1996 and a second version with 8 pilot surveys was done in February-March 1997. The final survey was done with 181 interviews in November/December 1997 and 31 interviews in the summer of 1998. The survey scheme was made both in an English, an Estonian, and a Russian version with cross-checking for the quality of the translations. The English version is enclosed in the appendix.

The instrument includes 18 main questions, often divided in sub-questions (total 75) and most of these divided on five years 1993-1997. In total there are 348 entries for the enterprises being able to answer all questions for all years.

The sample of enterprises was based on the GEREE Estonian database including 388 for which we had ownership data for all five years 1995-1997. The questionnaires were sent to the top-managers, but most interviews were done on location and some by phone. The total response was 220 including 8 of the pilots.

In the following overview over the results we have for a few of the questions included some information from the earlier ownership-surveys, which the Estonian Statistical Office also did for our project. The report follows roughly the order of questions in the survey-scheme. However, first we give an overview over the data set and the distribution on origin, majority ownership, size and branch. The origin and ownership structure are used in many of the following tables showing the relation between different variables and ownership. Then we look at the management and board structure seen in relation to the ownership structure. In the following section we look at the different compensation systems used in the different companies. Then we report the different types of restructuring. Finally we look at labor-management relations and the control-structure in the company as perceived by the respondent - typically the top-manager of the enterprise.

Much of the information included in the survey will be more deeply analyzed in later econometric studies. This working-paper is written to give an overview over preliminary results, to define new hypotheses and to make a comparison with similar surveys for Latvia and Lithuania.

3. Privatization, Ownershipstructure, Size and Branch.

Table 1 Ownership on origin (privatization/new/coop) data from ownership-survey

state	\ownership 1995	foreign	domestic	manager	employee	no majority	total
	privatized	8	16	12	18	0	53
	new	24	18	28	10	6	86
	coops	1	28	2	7	2	40
38	total including state						217
	\ownership 1996						
	privatized	9	24	16	18	1	68
	new	23	19	25	13	5	85
	coops	1	26	4	8	1	40
12	total including state						205
	\ownership 1997						
	privatized	10	25	17	12	7	70
	new	24	19	28	6	6	83
	coops	2	23	5	8	1	39
9	total including state						201

Table 2 Ownership/origin on industry 1997 data from ownership-survey

\majority ownership industry	state	foreign	domestic	manager	employee	no major.	total	privatized	new	coop	Estonia total
agriculture & fishing	0	0	6	0	8	1	15	2	3	10	1492
mining, wood, chemicals	0	4	19	8	5	1	37	17	12	9	48*
manufacturing	4	12	17	8	6	3	50	17	23	5	3824
construction	1	3	9	9	1	0	23	14	6	4	1959
whole trade & retail	1	2	2	7	1	0	13	5	7	0	11563
hotels & restaurants	1	11	10	9	3	3	37	6	22	5	988
transport,communication	1	3	8	10	2	1	25	1**	9	5	1574
total	8	35	71	51	26	9	200	62**	82	38	

** 1995? state? Estonia total for Financial statistics of enterprises, ESA, *only mining

The 10 new employee owned enterprises in 1995 are “new cooperatives” started in the Gorbatojov period. Note, that they are not included in the group of origin as cooperatives, which includes more traditional producer cooperatives in agriculture, fishing and transportation. In agriculture, fishing, mining and forestry these cooperatives can be majority owned by the employees. Probably most of the 8 majority employee owned in fishing are traditional cooperatives of the kolkhoz type. However, they can also be owned by suppliers and in this case included as domestic externally owned enterprises. There are not included any cooperatives related to trade.

Most of the new enterprises are either foreign or management owned, while external domestic and employee ownership have a stronger weight of privatized

enterprises.

Table 3. Number of Employed Persons Ultimo

\ownership		state	fo- reign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
employees	1995 N=179	474	72	103	57	97	15	88	187	48	90
employees	1996 N=199	348	106	118	85	63	12	95	178	50	78
employees	1997 N=195	31	90	125	49	53	43	84	159	49	72
of which managers		2	5	4	4	3	3	4	6	3	3
other employees		29	85	121	45	50	40	80	153	46	69
total 97	23.849 1-19	0	14	12	13	7	6	52	4	37	7
	2.359 20-49	1	9	15	21	7	0	53	21	19	12
	858 50-99	0	7	17	14	9	0	47	11	21	9
	399 100-199	0	2	14	4	3	2	25	11	3	7
	162 200-	0	5	12	1	0	0	18	11	3	3
	27.627 N	1	37	70	53	26	8	195	59	83	39

Foreign owned enterprises are over represented in both the small end and the large end of scale, but the average size follows the total group. Management owned and employee owned enterprises can be found mostly in the smaller end and they have an average employment below the average for the total group. The privatized are larger than the new enterprises and cooperatives are in between. State owned enterprises and employee owned enterprises are typically quite large. However, it is worth noting that some privatized enterprises are quite small, less than 50 (42%) and some new are quite large, with 50 or more employees (32%). This indicates a considerable lack of validity in studies like the World Bank (2002), which make the distinction between new and privatized only based on the number of employees.

Table 4. Distribution of Ownership on Employees

\ownership		state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
% nonowning	1995	86	96	67	81	45	73	72	68	84	55
employees	N	(31)	(32)	(61)	(42)	(33)	(8)	(185)	(51)	(86)	(40)
% nonowning	1996	-	97	81	81	49	63	77	80	84	60
employees	N		(34)	(72)	(47)	(37)	(8)	(207)	(62)	(85)	(40)
% nonowning	1997	-	96	82	75	44	75	79	81	82	66
employees	N		(37)	(70)	(53)	(26)	(8)	(203)	(59)	(83)	(39)
distribution of shares on employee owners 1997 **if we have data or 1995?											
rather equal		0	5	20	27	10	5	67	16	34	12
(Pct)			(56)	(53)	(51)	(39)	(83)	(51)	(39)	(60)	(44)
unequal (more than 1:2)		0	5	6	12	9	0	29	9	14	6
(Pct)			(22)	(15)	(23)	(34)	(0)	(22)	(22)	(25)	(23)
very unequal (> 1:10)		0	5	12	14	7	1	36	16	9	9
(Pct)			(22)	(32)	(26)	(27)	(17)	(27)	(39)	(15)	(33)

N	0	9	38	53	26	6	132	41	57	27
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Table 4 indicates that minority employee ownership is less frequent in foreign owned enterprises and most frequent in management owned and non-majority enterprises.

The lowest percentage of non-owning employees is found in enterprises with employee majority ownership. The last columns show that there are on average more employee owners in cooperatives than in new and privatized enterprises.

Looking at the distribution among the employee owners it is striking that the employee owned enterprises are mainly found in the middle category, while it has the lowest frequency for the category of "rather equal". The explanation might be that in employee owned enterprises there are more owners and more shares owned by employees opening up for a wide specter and thus higher inequality between the highest and the smallest ownership share. (Quite similar to the results from Latvia). New enterprises have a quite high degree of equality among the employee owners. This can partly be explained by the inclusion of "new cooperatives" in this group.

Table 5-95 Ownergroups and minority ownership by other groups 1995

\ majority ownership average % owned by	state	fo- reign	do- mestic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal										
foreign										
domestic external owner										
managers										
other employees										
total	100	100	100	100	100	100	100	100	100	100

Table 5-97 Ownergroups and minority ownership by other groups 1997

\ majority ownership average % owned by	state	fo- reign	do- mestic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal										
foreign										
domestic external owner										
managers										
other employees										
total	100	100	100	100	100	100	100	100	100	100

all companies have the same weight when measuring the average

4. Board structure and management

Table Q1A Who appointed top-management (frequency and column %)

\ ownership 1997 manager appointed by	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state authority	0 (0)	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	1 (0,5)	1 (1)	0 (0)	0 (0)
labor collective	0 (0)	0 (0)	1 (1)	0 (0)	1 (4)	0 (0)	2 (1)	1 (1)	1 (1)	0 (0)
shareholders	3 (33)	9 (24)	20 (27)	22 (41)	10 (37)	5 (56)	69 (32)	20 (26)	26 (29)	19 (48)
company board	6 (67)	24 (63)	45 (61)	24 (45)	14 (51)	2 (22)	115 (55)	47 (64)	49 (56)	16 (40)
other	0 (0)	5 (13)	8 (11)	8 (14)	1 (4)	2 (22)	24 (11,5)	6 (8)	12 (14)	5 (12)
total N	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	211 (100)	75 (100)	87 (100)	40 (100)

In all types of enterprises, except the small group with no majority, the company board had the dominating role concerning appointment of management. However, for about a third of enterprises the appointment has probably been discussed at the general assembly since the shareholders are mentioned as the group appointing the manager.

Table Q1.B When was top-management appointed (frequency and column %)

\ ownership 1997 manager appointed	state	foreign	domes- tic	manager	em- ployee	no ma- jority	total	priva- tized	new	coop
-1989	0 (0)	1 (2)	3 (4)	3 (6)	2 (7)	0 (0)	9 (4)	3 (3)	3 (3)	1 (2)
1990	0 (0)	0 (0)	1 (1)	6 (11)	0 (0)	1 (11)	8 (4)	2 (2)	6 (7)	1 (2)
1991	1 (11)	4 (11)	6 (8)	10 (19)	2 (7)	1 (11)	24 (11)	9 (12)	14 (16)	2 (5)
1992	0 (0)	12 (32)	8 (11)	12 (22)	7 (26)	4 (45)	43 (20)	11 (14)	24 (28)	7 (17)
1993	0 (0)	3 (8)	12 (16)	7 (13)	7 (26)	0 (0)	29 (14)	9 (12)	12 (14)	9 (22)
1994	1 (11)	8 (21)	7 (9)	7 (7)	2 (7)	0 (0)	22 (10)	9 (12)	7 (8)	4 (10)
1995	2 (22)	6 (16)	15 (20)	2 (4)	0 (0)	0 (0)	25 (12)	13 (17)	5 (6)	3 (7)
1996	3 (34)	2 (5)	14 (19)	6 (11)	4 (15)	0 (0)	29 (14)	13 (17)	7 (8)	8 (20)
1997	2 (22)	2 (5)	8 (11)	4 (7)	3 (11)	3 (33)	22 (11)	6 (8)	9 (10)	5 (13)
total N	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	211 (100)	75 (100)	87 (100)	40 (100)

It is worth noting that for all the groups very few managers were appointed before the independence from Soviet Union. It is remarkable that all managers in state owned enterprises have been appointed in 1991 or after, in fact, 8 out of 9 have been appointed after 1993 and the peak is as late as 1996. The peak of appointments is around 1992 for most of the other groups with manager owned enterprises having on average the longest manager tenure. Privatized enterprises have changed managers more recently than new enterprises. This indicates that managers have a relatively strong position in new enterprises, which are often owned by themselves, and that managers often have been changed in connection with privatization.

(note, interesting to analyze in relation to year of privatization/establishment
 ** make a matrix table for each owner category (except state) and for privatized/new). If there is high correspondence I will only include the tables for private and new in the text.

Table Q2.1-95 Composition of company board 1995 on 1995 ownership

\ ownership average %seats representing	state	fo- reign	do- mestic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal	10	7	4	3	2	0	4	6	3	2
foreign	11	63	7	0	0	17	13	7	17	2
domestic external owner	21	6	39	13	6	13	18	13	17	21
managers	34	16	25	49	42	44	35	35	31	40
other employees	24	8	25	35	50	26	30	39	32	35
total	100	100	100	100	100	100	100	100	100	100
total N with seats > 1	30	27	51	32	30	5	175	61	69	32
average number of seats **include 1 decimal	3	3	4	3	5	2	4	6	5	5
N seats = 0 / no answer **include seat=1	5	2	8	5	3	2	25	6	11	6

Table Q2.1-97 Composition of company board 1997 on 1997 ownership

\ ownership 1997 average %seats representing	state	fo- reign	do- mestic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal	8	6	2	4	5	0	4	3	3	5
foreign	20	53	2	2	0	14	13	9	29	1
domestic external owner	23	10	35	14	11	33	21	18	18	31
managers	30	25	33	47	44	36	36	41	26	26
other employees	19	6	28	33	40	17	26	29	24	37
total	100	100	100	100	100	100	100	100	100	100
total N with seats > 1	6	33	57	40	21	5	162	62	64	31
average number of seats	3	3	3	3	4	2	3	4	3	4
N seats =0 or no answer	0	0	4	3	1	1	9	1	8	1

There is a clear connection between representation in the company board and majority ownership for all owner-groups except state owned companies, which are represented by a broad specter of other groups. In all the other groups for both years the majority owner has the highest representation in the board with the following exceptions. Domestic external ownership managers have in 1997 nearly the same level of representation as the external owners. Foreign owners are strongly represented in foreign owned companies (=Latvia). Employees are represented by 40% in companies with employee majority ownership, however just passed by management representatives in 1997.

Managers seem to have a quite strong presence in the company boards in all types of ownership structures with the lowest proportion in foreign owned enterprises (=Latvia) and the highest in state and insider owned enterprises. The state on the other hand has the lowest representation (=Latvia). Other employees are also quite strongly represented in all types of companies except foreign owned. Taken together the insiders are completely dominating the boards in insider owned enterprises (>80%).

It is notable that managers plus other employees in 1997 also on average have a majority in the board in domestic externally owned (51%) and in no-majority enterprises (53%). In state owned enterprises they are as high as 49%. The three groups of origin follow to a high degree the pattern of the underlying ownership groups. Foreign representatives are more frequent in new enterprises and external domestic representatives are more frequent in cooperatives.

The tables Q2.2-95 and -97 represent matrices combining the majority of board representation with majority ownership. The shaded diagonal describes the situation where majority ownership follows majority board control. For 1995 there is a direct connection for 45 out of the 168 cases with majority ownership (40%). 50 with no single group having majority, and 73 with another group having the majority. For 1997 it is 65 out of 157 (42%). 23 with no single group having majority, and 69 with another group having the majority.

In 1997 the correspondence is strongest for foreign and employee ownership with correspondence in more than 50% of the cases. For state ownership there is no cases of majority of public representatives in 1997. In most cases when the majority owner does not have majority in the board instead insiders dominate the board. Other employees are surprisingly strongly represented in the boards with a majority in 30% of the enterprises in 1997, although they only have a direct majority of ownership in 13% of the 162 included in the table. We assume that many of the employees in the boards are specialists, with positions quite close to management. This assumption is supported by the results on the influence of different groups, see below.

Table Q2.2-95 Board majority on ownership majority 1995 - seats > 1

\ ownership 1995 majority board 1995	state	for- eign	dom.	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal	1	0	0	1	0	0	2	1	1	0
foreign	4	8	0	0	0	0	12	4	7	0
domestic external owner	5	0	14	5	1	0	25	7	11	5
managers	3	2	7	7	7	3	29	9	9	8
other employees	7	2	14	15	15	1	54	24	21	6
no majority	10	15	16	4	7	1	51	16	20	13
total	30	27	51	32	30	5	173	61	69	32

Table Q2.2-97 Board majority on ownership majority 1997 - seats > 1

\ majority ownership majority board 1997	state	for- eign	domes- -tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
state/municipal	0	0	0	1	0	0	1	0	1	0
foreign	1	17	0	1	0	0	19	5	12	0
domestic external owner	2	2	22	5	1	2	34	8	12	11
managers	1	4	7	15	7	3	37	14	13	7
other employees	1	0	19	17	11	0	49	18	19	9
no majority	1	10	9	1	2	0	23	17	7	4
total	6	33	57	40	21	5	162	62	64	31

**** check other employees majority in the board**

The managers were asked to estimate the influence of different groups on a scale from 1 = some influence to 3 low or no influence. From the table below it can be seen that there are no significant differences between the results for 1995 and 1997.

In general managers are considered to have the highest influence on decisions. The lowest influence for managers is on the selection of managers. Here has the relevant owner group the same level except for state ownership (quite the same as in Latvia). When they are owners managers have slightly more influence concerning strategic decisions like Along term plans@ and Anew technology@. Other employees are not considered to have more influence because of employee ownership. In general they are rated second for all cases, but they are far from the influence level of managers. The highest rating for employee influence in 1997 is for safety and health.

Domestic private external owners do not seem to have much influence. Foreign owners are considered to have some influence especially on strategic questions, but they are still rated much lower than the level of managers. State representatives are perceived to have very little influence in all groups even in state owned enterprises.

There are no significant differences between the firms when categorized on origin.

Table Q.18.1 Different groups influence on decisions on ownership1995

\majority ownership average of 1 (high) to 3	state	foreign	domestic	employee	manager	no majority	total	privatized	new	coop
1. long term plans										
managers	1.57	1.48	1.55	1.32	1.24	1.75	1.46	1.42	1.40	1.68
other employees	2.54	2.73	2.44	2.26	2.39	2.63	2.47	2.35	2.53	2.42
domestic priv. ext. own	2.59	2.82	2.50	2.76	2.88	2.63	2.68	2.79	2.65	2.63
foreign owners	2.68	1.94	2.89	3.00	2.98	2.50	2.73	2.81	2.59	2.92
state representatives	2.57	2.88	2.94	2.79	2.76	3.00	2.81	2.75	2.84	3.00
2. new technology										
managers	1.49	1.45	1.69	1.32	1.56	1.75	1.54	1.35	1.65	1.74
other employees	2.27	2.33	2.26	2.18	2.34	2.63	2.29	2.21	2.38	2.29
domestic priv. ext. own	2.70	2.97	2.82	2.79	2.88	2.63	2.82	2.79	2.81	2.89
foreign owners	2.68	2.06	2.90	3.00	3.00	2.50	2.75	2.81	2.66	2.92
state representatives	2.81	2.97	3.00	3.00	2.95	3.00	2.55	2.94	2.95	3.00
3. manager selection										
managers	2.05	2.12	2.27	1.82	1.98	2.25	2.08	1.80	2.13	2.47
other employees	2.59	2.73	2.00	2.61	2.51	2.88	2.52	2.48	2.59	2.42
domestic priv. ext. own	2.57	2.76	2.34	2.62	2.76	2.50	2.57	2.72	2.53	2.50
foreign owners	2.70	1.82	3.00	2.94	2.95	2.38	2.72	2.79	2.55	3.00
state representatives	2.70	2.94	2.97	2.97	3.00	3.00	2.93	2.88	2.95	2.95
4. employment										
managers	1.59	1.36	1.53	1.32	1.29	1.88	1.45	1.31	1.42	1.74
other employees	2.46	2.61	2.26	2.45	2.27	2.75	2.42	2.34	2.53	2.34
domestic priv. ext. own	2.70	2.82	2.66	2.85	2.88	2.63	2.76	2.91	2.74	2.68
foreign owners	2.70	2.12	3.00	2.89	3.00	2.63	2.77	2.97	2.66	2.95
state representatives	2.70	2.94	2.91	3.00	2.90	3.00	2.91	2.83	2.91	2.97
5. wage-levels										
managers	1.46	1.48	1.40	1.32	1.24	1.63	1.39	1.36	1.37	1.55
other employees	2.41	2.58	2.38	2.39	2.34	2.50	2.41	2.28	2.44	2.42
domestic priv. ext. own	2.65	2.82	2.63	2.76	2.93	2.63	2.74	2.79	2.74	2.68
foreign owners	2.81	2.09	2.97	2.98	3.00	2.63	2.80	2.99	2.69	3.00
state representatives	2.84	2.88	3.00	2.90	2.98	3.00	2.92	2.90	2.90	2.97
6. safety and health										
managers	1.51	1.39	1.58	1.41	1.66	1.63	1.53	1.47	1.52	1.79
other employees	2.97	2.15	2.09	2.16	1.98	2.25	2.13	2.11	2.17	2.11
domestic priv. ext.own	2.89	2.94	2.87	2.88	2.98	2.75	2.90	2.99	2.88	2.89
foreign owners	2.86	2.70	3.00	3.00	3.00	2.75	2.92	2.93	2.90	3.00
state representatives	2.57	2.64	2.68	2.71	2.66	2.63	2.66	2.71	2.66	2.71
N	37	33	34	62	41	8	215	75	86	38

1=high, 2=some, and 3 = low or no influence , missing = 3 if some of the category has been answered

Table Q.18.2 Different groups influence on decisions on ownership1997

\majority ownership average of 1 (high) to 3	state	foreign	domestic	employee	manager	no majority	total	privatized	new	coop
1. long term plans										
managers	2.11	1.27	1.33	1.65	1.12	1.75	1.34	1.31	1.29	1.44
other employees	2.44	2.62	2.46	2.43	2.35	2.50	2.46	2.27	2.56	2.41
domestic priv. ext. own	2.11	2.70	2.43	2.81	2.75	2.63	2.62	2.89	2.60	2.49
foreign owners	2.56	2.00	3,00	2.88	2.96	2.75	2.74	2.91	2.61	2.92
state representatives	2.67	2.95	2.73	2.94	2.77	2.88	2.85	2.83	2.86	2.97
2. new technology										
managers	2.00	1.32	1.49	1.50	1.35	1.88	1.47	1.27	1.61	1.59
other employees	2.44	2.27	2.31	2.22	2.27	2.75	2.29	2.34	2.36	2.21
domestic priv. ext. own	2.56	2.89	2.67	2.92	2.77	2.50	2.76	2.77	2.79	2.74
foreign owners	2.56	2.11	2,96	2.94	2.96	2.75	2.77	2.84	2.67	2.92
state representatives	3.00	3.00	3.00	3.00	2.96	3.00	2.99	2.99	2.98	3.00
3. manager selection										
managers	1.89	1.05** 2.05?	2.14	2.46	1.83	2.38	2.08	1.91	2.14	2.36
other employees	2.67	2.78	1.96	2.51	2.48	3.00	2.51	2.39	2.60	2.38
domestic priv. ext. own	2.33	2.68	2.22	2.73	2.62	2.13	2.49	2.71	2.55	2.26
foreign owners	2.67	1.81	3,00	2.94	2.90	2.63	2.71	2.88	2.48	3.00
state representatives	3.00	2.87	2.96	3.00	3.00	3.00	2.91	3.00	2.99	3.00
4. employment										
managers	1.44	1.16	1.36	1.54	1.33	1.63	1.35	1.30	1.34	1.54
other employees	2.33	2.57	2.35	2.30	2.38	2.63	2.39	2.29	2.49	2.38
domestic priv. ext. own	2.33	2.78	2.59	2.92	2.67	2.63	2.69	2.81	2.71	2.56
foreign owners	2.89	2.16	3,00	2.90	2.92	2.88	2.79	2.96	2.66	2.92
state representatives	2.78	2.97	2,92	2.96	2.87	3.00	2.92	2,79	2.93	2.97
5. wage-levels										
managers	1.44	1.30	1.29	1.42	1.12	1.50	1.29	1.34	1.31	1.46
other employees	2.44	2.51	2.22	2.33	2.37	2.50	2.37	2.22	2.44	2.28
domestic priv. ext. own	2.44	2.76	2.55	2.88	2.75	2.38	2.68	2.83	2.68	2.62
foreign owners	2.89	2.19	3,00	2.96	2.92	2.88	2.81	2.95	2.65	3.00
state representatives	2.89	2.95	3.00	2.96	2.98	3.00	2.95	2.99	2.94	3.00
6. safety and health										
managers	1.22	1.32	1.38	1.62	1.44	1.50	1.42	1.37	1.44	1.59
other employees	1.33**?	2.08	2.15	2.13	2.92	2.25	2.09	2.11	2.14	2.03
domestic priv. ext. own	3.00	2.86	2.86	2.88	2.77	2.88	2.85	2.78	2.87	2.85
foreign owners	3.00	2.62	3.00	2.99	2.96	3.00	2.92	2.96	2.86	3.00
state representatives	2.33	2.59	2.73	2.58	2.67	2.38	2.60	2.99	2.66	2.64
N	9	37	26	69	52	8	201	70	85	39

1=high, 2=some, and 3 = low or no influence, missing = 3 if some of the category has been answered

Table Q.16 Percent membership of unions - on ownership

\majority ownership union membership	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
average %	1995	44	5	15	1	20	1	16	33	1	11
	N	34	30	56	42	31	8	201	64	81	35
	1996	15	5	26	14	7	0	15	32	1	6
	N	11	30	69	47	36	7	202	64	81	36
	1997	**95	6	22	2	5	4	13	35	1	5
	N	8	34	64	53	24	8	200	64	81	37
0%	1995	24 (75)	26 (87)	43 (83)	39 (93)	24 (83)	7 (88)	163 (84)	49 (76)	76 (94)	29 (83)
]0-100%[	1995	8 (25)	3 (10)	8 (15)	3 (7)	5 (17)	1 (12)	28 (15)	14 (22)	5 (6)	5 (14)
100%	1995	0 (0)	1 (3)	1 (2)	0 (0)	0 (0)	0 (0)	2 (1)	1 (1)	0 (0)	1 (3)
0%	1997	5 (71)	29 (85)	50 (82)	48 (91)	20 (83)	7 (88)	169 (96)	49 (76)	78 (96)	29 (78)
]0-100%[	1997	2 (29)	4 (12)	10 (16)	5 (9)	4 (17)	1 (12)	26 (13)	13 (21)	3 (4)	8 (22)
100%	1997	0 (0)	1 (3)	1 (2)	0 (0)	0 (0)	0 (0)	2 (1)	2 (3)	0 (0)	0 (0)

**check state owned for 1996

Table Q.17 Procedures for employee influence - 1997

\majority ownership	state	for- eign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
no other procedures (than through unions)	1 (11)	6 (16)	15 (21)	8 (15)	3 (12)	0 (0)	33 (16)	10 (13)	13 (16)	10 (25)	
yes, other procedures	8 (89)	31 (84)	58 (79)	45 (85)	22 (86)	9 (100)	173 (84)	65 (87)	72 (85)	29 (75)	
importance for influence											
trade unions	1	2	2	8	4	0	17	10	3	3	
	2-3	1	2	5	1	5	14	9	0	4	
not relevant	4	6	33	55	48	20	169	51	82	31	
N	9	9	37	68	53	25	200	70	85	38	
average	3,22	3,76	3,54	3,75	3,68	3,63	3,64	3,39	3,89	3,61	
employees as shareholders	1	0	4	20	20	20	1	65	20	24	19
	2-3	3	2	10	7	2	0	24	13	8	4
not relevant	4	6	31	38	26	3	7	112	37	53	15
N	9	9	37	68	53	25	8	201	70	85	38
average	3,33	3,59	2,91	2,68	1,48	3,63	2,85	2,81	3,04	2,32	
other structure	1	0	3	10	5	0	18	5	7	7	
	2-3	0	3	4	3	2	0	12	3	6	2
not relevant	4	9	31	54	45	23	8	170	62	72	29
N	9	9	37	68	53	25	8	200	70	85	38
average	4,00	3,59	3,46	3,62	3,92	4,00	3,62	3,67	3,64	3,37	

Missing values included as “not relevant” (4) if there are other response for that firm that year.

Union membership is in general very low and slightly falling over time. The membership level is significantly higher for state owned enterprises. Employee owned enterprises have surprisingly low union membership. There are no unions in nearly all the new enterprises.

Not surprisingly the unions do not play an important role for any of the owner groups. In companies with employee-shares, ownership is considered to be an important channel for employee influence. Not surprisingly this is the case for nearly all the responses for majority employee owned enterprises. However, it is worth noting that also in quite many of the majority management owned and in the externally domestic owned enterprises, shareholding is perceived as an important channel for employee influence.

6. Compensation system

Table Q3.1 Manager compensation depending on company results

frequency (percentage)	1995	1996	1997
A. depend on results	48 (22)	58 (26)	61 (27)
N	220 (100)	220 (100)	220 (100)
B. depending on profit	21 (31)	26 (33)	29 (35)
depending on sales	14 (21)	16 (20)	19 (23)
other	32 (48)	37 (47)	35 (42)
N	67 (100)	79 (100)	83 (100)
C. 0% of total pay	155 (70)	143 (65)	140 (63)
0-49% of total pay	26 (12)	33 (15)	34 (15)
50-99% of total pay	15 (7)	16 (7)	17 (8)
100% of total pay	4 (2)	5 (2)	6 (3)
N	20 (9)	23 (11)	23 (11)

There is a slight tendency for an increase over time in result-dependent compensation. This is both the case for profit-related and sales-related compensation schemes. However, most of the enterprises do not have such schemes – it covers 0% of the manager pay in around 65% of the enterprises. In this respect it is on the same level as in Latvia.

Result related compensation is slightly more frequent in foreign and domestic externally owned enterprises than in the remaining groups, but the differences between ownership groups are not so significant. Unlike Latvia there are only quite few enterprises, which have 100% of total pay to top managers being dependent on results. Cooperatives use typically other results than profits such as sales, or input prices as base for the remuneration.

Table Q.3.2 Manager compensation depending on results - ownership 1997

\ownership frequency (%)	state	for- eign	domes- -tic	mana- ger	em- plovee	no maj.	no an- swer	total	priva- tized	new	coop
A. depend on results	2 (22)	12 (31)	25 (34)	14 (26)	6 (22)	0 (0)	2 (22)	61 (28)	24 (32)	22 (24)	11 (28)
N	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	9 (100)	220 (100)	75 (100)	91 (100)	40 (100)
B. depending on profit	1 (33)	6 (35)	11 (37)	7 (39)	4 (40)	0 (0)	0 (0)	29 (35)	11 (34)	13 (42)	2 (12)
depending on sales	0 (0)	4 (23)	6 (20)	5 (28)	3 (30)	0 (0)	1 (50)	19 (23)	9 (28)	5 (16)	5 (29)
other	2 (67)	7 (42)	13 (43)	6 (33)	3 (30)	3 (100)	1 (50)	35 (42)	12 (38)	13 (42)	10 (59)
N	3 (100)	17 (100)	30 (100)	18 (100)	10 (100)	3 (100)	2 (100)	83 (100)	32 (100)	31 (100)	17 (100)
C. 0% of total pay	7 (78)	21 (55)	45 (61)	37 (69)	16 (59)	7 (78)	7 (78)	140 (64)	61 (70)	43 (57)	22 (55)
0-24% of total pay	1 (11)	7 (18)	13 (18)	7 (13)	6 (22)	0 (0)	0 (0)	34 (15)	11 (13)	15 (20)	5 (13)
25-49% of total pay	1 (11)	2 (5)	7 (9)	3 (5)	2 (7)	0 (0)	2 (22)	17 (8)	2 (2)	11 (15)	3 (7)
50-99% of total pay	0 (0)	3 (8)	3 (4)	0 (0)	0 (0)	0 (0)	0 (0)	6 (3)	4 (5)	0 (0)	2 (5)
100% of total pay	0 (0)	5 (14)	6 (8)	7 (13)	3 (11)	2 (22)	0 (0)	23 (10)	9 (10)	6 (8)	8 (20)
N	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	9 (100)	220 (100)	75 (100)	75 (100)	40 (100)

Table Q5 Average monthly salary - over time

mean <i>standard deviation</i>	1995		1996		1997	
topmanager - EEK N	7211 8273 189	9160 10652 198	10370 13301 194			
all employees - EEK N	2862 3213 197	2885 2069 206	3559 2529 203			
the lowest paid employee N	1226 1388 186	1337 1051 195	1456 1022 195			
topmanager/all employees	2.80 3.64	3.17 2.16	2.92 2.88			
all employees/lowest paid	2.99 3.56	2.15 1.46	2.82 1.90			
average wage for Estonia (ESA)	2375	2985	3573			

Table Q.5-96 Average monthly salary on ownership - 1997

\majority ownership EEK	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
topmanager - mean	7187	15462	9744	9984	4477	6670	10370	10526	9975	8686
standard deviation	6834	18525	9864	15903	3314	4802	13301	14238	14370	8454
N	8	35	66	52	25	8	194	68	82	37
all employees, mean	2840	5373	3271	3277	2451	2635	3559	2987	2785	1715
standard deviation	1951	3099	2924	1721	1260	1442	2529	2875	2915	1233
N	9	36	70	53	23	8	203	70	85	39
lowest paid employee	1049	2153	1179	1441	734	795	1456	1368	1549	897
standard deviation	719	1721	609	985	684	1051	1022	604	1458	707
N	9	36	70	53	25	8	195	70	85	39
topmanager/employees	3,00	2,76	3,23	3,09	1,88	2,78	2,92	3,18	2,65	3,15
standard deviation	1,04	1,32	2,57	4,43	0,57	1,99	2,88	4,52	2,12	2,12
average/lowest paid	3,06	2,61	3,06	2,62	2,92	2,74	2,82	2,70	2,64	2,69
standard deviation	1,48	1,46	2,87	1,22	1,38	0,90	1,90	1,06	1,37	1,06

The pay for the lowest employee is very low even for Estonian standards, but although we asked about full time wage, the responses may cover part time employees. The average monthly salary has increased by 25% from 1995 to 1997. For managers the increase has been stronger. Both managers and other employees have a significant higher salary in foreign owned enterprises than in other types. Employee owned enterprises and no majority enterprises are found in the other end of the scale. State owned enterprises are also below the average. The average wage for all employees and for the lowest paid employee is higher in new than in privatized companies. However, the lowest level is found in the cooperatives, probably because of quite low levels of pay in agricultural related production.

Table Q6-7-8 Form of payment for employees - over time

frequency (percentage)	1995	1996	1997
hourly time rate	45 (22)	49 (23)	51 (24)
weekly/monthly time rate	67 (33)	68 (32)	63 (30)
piece rate	73 (36)	72 (34)	71 (34)
other	20 (10)	25 (12)	25 (12)
N	205 (100)	214 (100)	210 (100)
profit sharing	13 (7)	14 (7)	13 (6)
N	198 (100)	206 (100)	204 (100)
monetary incentive scheme	106 (54)	112 (55)	108 (53)
N	196 (100)	205 (100)	204 (100)
non-monetary benefits	24 (12)	25 (12)	22 (11)
N	206 (100)	206 (100)	202 (100)

Table Q6-7-8.2 Forms of payment for employees - on ownership - 1997

\majority ownership	state	fo-reign	domes-tic	mana-ger	em-ployee	no major.	total	priva-tized	new	coop
hourly time rate	2 (22)	7 (19)	16 (23)	16 (30)	7 (28)	3 (38)	51 (25)	17 (24)	21 (25)	11 (28)
weekly/monthly rate	2 (22)	21 (57)	15 (22)	14 (27)	6 (24)	3 (38)	61 (30)	14 (20)	34 (40)	7 (18)
piece rate	2 (22)	4 (10)	31 (45)	16 (30)	11 (44)	2 (25)	66 (34)	28 (40)	23 (27)	16 (41)
other	3 (34)	5 (13)	7 (10)	7 (13)	1 (4)	0 (0)	23 (11)	11 (16)	7 (8)	5 (13)
N	9	37	69	53	25	8	201	70	85	39
profit sharing	1	2	4	3	2	0	13	2	6	4
N	9	35	69	51	24	8	204	66	83	39
monetary incentive scheme	3	26	36	21	14	4	108	42	39	20
N	9	35	69	50	25	7	203	69	80	38
non-monetary benefits	0	8	10	2	0	0	20	6	12	4
N	9	36	64	52	25	9	202	67	82	37

The difference between the managers' salary and other employees are lowest in employee owned enterprises. The relatively high proportion between management pay and the pay for other employees in state owned enterprises and domestic externally owned enterprises might partly be explained by their relatively large size. However, foreign owned enterprises were also quite large on average, but they have salary differentials below the average. Management owned enterprises have a quite high salary level for managers and high differentials in relation to other employees. Unlike in Latvia it seems that managers take out part of their ownership remuneration in the form of salaries.

The forms of payment for employees are quite stable over time. Piece rate payment is used in around one third of the cases. Profit sharing is not common, but other forms of monetary incentive schemes are used in more than fifty percent of the cases. Piece rates are used less frequently in state owned and no majority owned enterprises. Profit sharing is used only in a few cases, while monetary incentive schemes are especially frequent found in the foreign owned enterprises.

8. Restructuring

The frequency of change is increasing over time. Most frequent is change on the number of department covering 45 of the enterprises over three years. Change in hierarchical levels and splitting out some units or including new units have each around half the frequency. Changing the number of departments is especially frequent in externally owned enterprises (state, foreign and externally domestic). Employee owned enterprises are reluctant to these type restructuring. While the state owned enterprises are surprisingly active, except for including new units, restructuring in the state enterprises are as high as for foreign ownership or for domestic external ownership. New enterprises are a bit more active in organizational changes than privatized entities. This is surprising because new enterprises start up with a brand new organization. On the other hand small fast growing new enterprises need many organizational changes in their early development stage.

Table Q4.1 Restructuring of organizational structure - over time

frequency (percentage)	1995	1996	1997	1995-97*
changed no. of departments N	56 (28) 199	57 (27) 210	63 (30) 207	99 (45) 220
changed hierachical level N	31 (16) 199	31 (19) 210	40 (19) 206	64 (29) 220
sold/closed part of company N	29 (15) 199	28 (13) 208	34 (16) 208	59 (27) 220
included new units N	26 (15) 171	26 (13) 208	29 (14) 205	51 (23) 220
some organizational change N	101 (55) 183	112 (58) 193	126 (65) 192	139 (65) 211

* At least one change in the period. Enterprises with several changes count only for one change

Table Q4.2 Restructuring of organization 1995-97 - on ownership 1997

\majority ownership	state	for- eign	domes- -tic	mana- ger	em- p- loyee	no ma- jority	total	priva- tized	new	coop
changed the number of departments N	5 (55) 9	20 (53) 38	39 (53) 74	21 (39) 54	3 (10) 27	6 (11) 9	90 (43) 211	38 (40) 75	35 (53) 91	15 (53) 40
changed hierarchical level N	5 (55) 9	13 (34) 38	25 (34) 74	10 (19) 54	4 (11) 27	3 (33) 9	60 (28) 211	31 (21) 75	18 (33) 91	12 (33) 40
sold/closed part of firm N	2 (22) 9	10 (27) 38	28 (38) 74	11 (20) 54	2 (7) 27	3 (33) 9	56 (27) 211	19 (23) 75	20 (27) 91	13 (27) 40
included new units N	1 (11) 9	8 (21) 38	21 (28) 74	16 (30) 54	1 (4) 27	3 (33) 9	50 (24) 211	19 (26) 75	23 (25) 91	5 (25) 40
some organizational change	8 (88)	29 (76)	57 (77)	29 (53)	10 (37)	6 (66)	139 (65)	59 (78)	47 (51)	27 (68)

N	9	38	74	54	27	9	211	75	91	40
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Table Q9.1 Importance of investment finance - on ownership - 1995

\majority ownership frequency:1 high 8 low	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
savings inside company	1 2-3 4-7 8 N	10 26 9 24 0 0 19 50 38 100	15 45 11 33 2 6 5 15 33 100	29 45 11 17 0 0 24 38 64 100	16 38 12 29 0 0 14 33 42 100	17 49 11 31 0 0 7 20 35 100	4 50 0 0 0 0 4 50 10 100	91 41 54 5 2 1 73 33 22010 0	29 39 20 27 1 1 25 33 75 100	35 40 24 28 1 1 27 31 87 100	21 48 5 17 0 0 14 35 40 100
extra capital from the owners	1 2-3 4-7 8 N	4 11 5 13 0 0 29 76 38 100	11 33 12 36 0 0 10 31 33 100	7 11 14 22 1 1 42 66 64 100	5 12 16 38 1 2 20 48 42 100	8 23 15 43 0 0 12 34 35 100	0 0 3 38 0 0 5 62 8 100	35 16 65 30 2 1 118 53 22010 0	12 16 24 32 0 0 39 52 75 100	15 17 33 38 2 2 37 43 87 100	4 10 7 17 0 2 29 73 40 100
allocation by the government	1 2-3 4-7 8 N	0 0 3 8 2 5 33 87 38 100	0 0 1 3 1 3 31 94 33 100	0 0 0 0 1 2 63 98 64 100	2 5 0 0 1 2 39 95 42 100	0 0 1 3 1 3 33 94 35 100	0 0 0 0 1 12 7 88 8 100	2 1 5 2 7 3 206 94 22010 0	0 0 4 5 2 3 69 92 75 100	2 2 0 0 4 4 81 94 87 100	0 0 1 2 0 4 39 98 40 100
loans from banks /investment funds	1 2-3 4-7 8 N	4 11 7 8 1 3 26 68 38 100	3 9 4 12 1 3 25 76 33 100	11 17 10 16 2 3 41 64 64 100	11 26 6 14 0 0 25 60 42 100	5 15 9 25 1 3 20 57 35 100	0 0 1 12 1 12 6 76 8 100	34 15 37 16 6 3 143 66 22010 0	13 17 21 28 2 3 39 52 75 100	16 18 8 9 3 3 60 70 87 100	4 10 5 13 1 2 30 75 40 100
domestic private capital	1 2-3 4-7 8 N	3 9 0 0 1 3 34 88 38 100	0 0 3 9 1 3 29 88 33 100	2 3 4 6 0 0 58 91 64 100	0 0 2 4 1 2 39 94 42 100	1 3 1 3 1 3 32 91 35 100	0 0 1 12 1 12 6 76 8 100	6 3 11 6 5 2 198 89 22010 0	1 2 4 5 2 2 68 91 75 100	3 3 6 6 2 2 76 89 87 100	0 0 1 2 0 0 39 98 40 100
foreign private capital	1 2-3 4-7 8 N	0 0 0 0 3 9 35 91 38 100	3 9 2 6 2 6 26 79 33 100	0 0 1 2 0 0 63 98 64 100	1 2 0 0 1 2 40 96 42 100	0 0 0 0 1 3 34 97 35 100	1 12 0 0 1 12 6 76 8 100	5 2 3 1 8 3 204 94 22010 0	0 0 0 0 4 5 71 95 75 100	5 5 3 3 3 3 76 89 87 100	0 0 0 0 0 0 40 100 40 100
investment by other establishments	1 2-3 4-7	1 3 1 3 3 9	0 0 0 0 3 6	1 2 3 6 1 2	0 0 2 4 3 6	0 0 1 3 1 3	0 0 1 12 1 12	2 1 7 3 12 5	1 2 1 2 5 5	0 0 2 2 5 5	1 2 3 7 1 2

establishments	8	33 85	30 94	59 90	37 90	33 94	6 76	199	68 91	80 93	35 89
	N	38 100	33 100	64 100	42 100	35 100	8 100	91	75 100	87 100	40 100
								22010			
								0			
average	same N as above										
savings inside company		4.30	2.59	3.73	3.64	2.48	4.00	3.44	3.34	3.57	3.11
extra capital from owners		6.30	3.41	5.82	5.07	3.67	5.43	5.02	5.27	4.55	6.08
government allocation		7.21	7.78	7.97	7.57	7.70	7.43	7.68	7.52	7.68	7.83
loans from banks		5.88	6.55	5.74	5.31	5.30	6.71	5.77	5.21	6.06	6.39
domestic private capital		7.24	7.47	7.39	7.62	7.52	6.57	7.42	7.46	7.26	7.83
foreign private capital		7.64	6.78	7.90	7.74	7.88	6.43	7.60	7.78	7.26	8.00
investment by other units		7.24	7.81	7.63	7.45	7.73	7.43	7.57	7.68	7.64	7.36

Missing values included as Anot used@ (weight 8) if there are other responses for that enterprise that year.

Table Q9.2 Importance of investment finance - on ownership - 1997

\majority ownership frequency: 1 high 8 low	state	foreign	dom.	mana-ger	em-ployee	no maj.	total	priva-tized	new	coop	
savings inside company	1	2 22	19 50	34 46	30 56	22 81	3 22	114 52	42 55	41 47	22 55
	2-3	7 78	14 35	26 35	15 27	2 7	3 34	70 32	29 39	25 29	10 25
	4-7	0 0	1 3	1 1	1 2	0 0	0 0	3 1	2 3	1 1	0 0
	8	0 0	4 12	13 18	8 15	3 12	4 44	33 15	2 3	20 23	8 30
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
extra capital from the owners	1	4 44	9 24	8 1	7 13	0 0	2 22	31 14	10 13	12 14	5 12
	2-3	2 22	12 32	27 36	25 46	12 44	4 44	86 39	35 47	34 39	11 28
	4-7	2 22	0 0	3 4	0 0	1 4	0 0	6 3	3 4	2 2	0 0
	8	1 12	17 44	36 49	22 41	14 52	3 34	97 44	27 36	39 45	24 60
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
allocation by the government	1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
	2-3	0 0	0 0	0 0	1 1	0 0	0 0	2 1	1 1	0 0	1 2
	4-7	0 0	1 3	2 3	3 6	2 7	0 0	9 4	3 4	4 5	1 2
	8	9 100	37 97	72 97	50 93	25 93	9 100	209 95	71 95	83 95	38 96
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
loans from banks and investment funds	1	2 22	5 13	20 27	12 22	2 7	3 33	45 20	18 24	19 22	8 20
	2-3	1 12	10 26	24 32	14 26	6 22	1 12	58 26	29 39	11 13	9 23
	4-7	0 0	0 0	2 3	2 4	2 7	0 0	7 4	3 4	3 3	1 2
	8	6 66	23 61	28 38	16 48	17 64	5 55	109 50	25 33	54 62	22 55
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
domestic private capital	1	0 0	0 0	5 7	0 0	1 4	0 0	7 3	2 2	3 3	0 0
	2-3	2 22	1 3	7 9	4 7	2 8	1 12	18 8	5 6	9 10	2 3
	4-7	2 22	3 8	5 7	3 6	1 4	0 0	4 2	8 12	3 3	2 3
	8	5 55	34 89	57 77	47 87	23 84	8 88	191 87	60 80	72 84	36 90
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
foreign private capital	1	1 12	4 11	0 0	1 2	0 0	0 0	6 3	2 2	4 5	0 0
	2-3	3 33	2 6	2 3	1 2	1 4	0 0	9 4	4 5	5 6	0 0
	4-7	0 0	1 3	1 1	4 7	2 7	1 12	10 5	3 4	5 6	1 2
	8	5 55	31 80	71 96	48 89	24 89	8 88	195 88	66 89	73 83	39 98
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	75 100	87 100	40 100
investment by other establishments	1	0 0	1 3	0 0	0 0	0 0	0 0	1 2	0 0	0 0	0 0
	2-3	0 0	0 0	5 7	4 7	0 0	0 0	9 4	4 5	2 2	3 8
	4-7	2 22	3 9	4 5	5 9	2 7	0 0	18 8	5 7	6 7	5 12
	8	9 78	34 38	65 88	45 84	25 93	9 100	192 86	66 89	79 91	32 80
	N	9 100	38 100	74 100	54 100	27 100	9 100	220100	76 100	87 100	40 100
average importance	same N as above										
savings inside company	2.00	2.29	2.70	2.50	1.65	4.25	2.43	1.58	3.00	3.47	
extra capital from owners	3.00	4.50	4.99	4.43	5.38	3.50	4.67	4.32	4.63	5.45	
allocation by government	8.00	7.92	7.96	7.67	7.81	8.00	7.82	7.79	7.84	7.81	
loans from banks	7.11	5.49	4.12	4.81	5.77	4.63	4.93	4.11	5.78	5.05	
domestic private capital	5.78	7.66	6.77	7.38	7.15	7.25	7.09	6.93	7.05	7.50	
foreign private capital	5.56	6.87	7.82	7.48	7.50	7.50	7.41	7.43	7.13	7.95	
investment by other units	7.33	7.57	7.42	7.22	7.77	8.00	7.46	7.42	7.59	7.16	

Missing values included as A not used@ (weight 8) if there are other responses for that enterprise that year.

Table Q9.1 on sources of finance, show a surprising tendency over since internal

savings is more important in 1997 than in 1995. However, external financing through banks has also increased somewhat in importance. The only financing factor going down is “allocation through the government”. 1997 was a booming year in Estonia with steep growth in investment. This can explain why some sources go up in importance without similar fall in other factors. For inside financing there is a steep fall from 73 to 33 in the number of cases with the lowest priority or “not relevant” (8). For financing through bank loans the number of 8’s fall from 143 (66%) in 1995 to 109 in 1997 (50%).

This tendency over time is pronounced for state owned enterprises. From 1995 to 1997 the total number of state owned enterprises fall from 9 to 38 and contrary to the situation in 1995 none of the remaining get any state allocations in 1997. However, it is indicated for state owned enterprises that capital from the owners is an important source of finance in 1997. Is this another type of state allocation or is it allocations from private minority owners. The importance of foreign capital input for four of the state owned enterprises could indicate that the explanation may be some form of joint ventures. For the other groups the increase in the importance of financing through internal savings is pronounced for employee owned enterprises. The percentage of enterprises indicating internal capital as the primary source of financing increases from 49% to 81%. The importance of bank loans is falling for employee owned and for state owned enterprises, but increasing for other groups.

When you compare the different owner-groups within the specific year it is clear that employee owned enterprises are most dependent on internal savings. What is more surprising, is the fact that foreign owned enterprises also have a quite high dependence on internal savings. You would have expected that extra capital from the owners was the main source of financing. This source ranks second for foreign owned companies. However, for all companies for both years internal savings are the most important source. The only exception is the small group of no-majority ownership where capital from the owners has a slightly higher importance 1997.

There is a surprisingly small change over time in the sources of material inputs, see table Q10.1 below. Only for domestic sourcing there seems to be some increase from 1995 to 1997, and this change can be located to the domestic externally owned enterprises. The foreign owned enterprises have the strongest sourcing of inputs from Western markets, while employee owned enterprises are found in the other end of the specter. Sourcing from Eastern Europe (including CIS) has quite low importance for all types of enterprises.

Enterprises with cooperative origin are more based on domestic sources than other groups. This is probably caused by agricultural inputs from members of a supplier cooperatives.

Table Q.10.1 Sources of material inputs on ownership - over time

\majority ownership importance from 1 to 4	state	fo-reign	domes-tic	mana-ger	em-ployee	no ma-jority	total	priva-tized	new	coop
from Eastern Europe 1995	3.19	3.52	3.47	3.45	3.33	3.57	3.41	3.22	3.58	3.49
1996	3.25	3.44	3.55	3.46	3.27	3.57	3.45	3.23	3.70	3.38
1997	2.89	3.54	3.47	3.38	3.52	3.88	3.46	3.28	3.64	3.45
from West Europe 1995	2.68	1.85	3.00	2.88	2.91	2.71	2.72	2.43	2.77	3.00
1996	2.50	1.76	2.78	2.67	3.00	2.43	2.59	2.47	2.62	3.00
1997	2.33	1.86	2.85	2.60	3.24	2.25	2.59	2.54	3.64	2.92
domestic 1995	2.03	2.39	2.20	2.07	1.70	3.57	2.09	1.92	2.22	2.03
1996	1.92	2.50	1.64	1.96	2.00	2.86	1.97	1.94	2.14	1.76
1997	2.11	2.35	1.68	1.79	1.72	3.00	1.89	1.97	2.02	1.74
N 1995	37	33	62	42	33	7	214	75	86	37
1996	12	34	76	46	37	7	214	75	86	37
1997	9	37	68	52	25	8	208	70	84	38

Missing values included as Anot used@ (weight 4) if there are other response for that enterprise that year.

Table Q.10.2 Sources of material inputs on ownership - 1997

\majority ownership frequency: 1 (high) to 4	state	foreign	domes-tic	mana-ger	em-ployee	no ma-jority	total	priva-tized	new	coop
from Eastern Europe 1	2 (22)	1 (8)	4 (6)	5 (10)	1 (4)	0 (0)	13 (6)	6 (8)	5 (6)	1 (3)
2	0 (0)	4 (11)	8 (12)	4 (8)	4 (16)	0 (0)	21 (10)	10 (14)	3 (4)	6 (16)
3	4 (45)	6 (16)	8 (12)	9 (17)	1 (4)	1 (12)	31 (15)	13 (19)	9 (11)	6 (16)
(not used) 4	3 (33)	26 (70)	48 (72)	34 (69)	17 (76)	7 (88)	143 (69)	41 (59)	67 (79)	25 (65)
from Western Europe 1	4 (45)	22 (59)	13 (19)	10 (19)	5 (20)	4 (50)	61 (29)	24 (35)	27 (32)	5 (13)
2	1 (12)	6 (16)	18 (26)	20 (38)	2 (8)	1 (12)	51 (25)	17 (24)	20 (24)	12 (32)
3	1 (12)	1 (3)	3 (5)	3 (6)	0 (0)	0 (0)	8 (4)	3 (4)	2 (2)	2 (5)
(not used) 4	3 (33)	8 (22)	34 (50)	19 (37)	18 (72)	3 (38)	88 (42)	26 (37)	35 (42)	19 (50)
Domestic 1	3 (33)	10 (27)	45 (65)	33 (63)	17 (68)	2 (25)	116 (56)	37 (55)	43 (51)	27 (71)
2	4 (45)	14 (37)	10 (15)	6 (12)	2 (8)	1 (12)	39 (19)	18 (26)	17 (20)	1 (2)
3	0 (0)	3 (9)	3 (5)	4 (8)	2 (8)	0 (0)	13 (6)	6 (8)	3 (4)	3 (7)
(not used) 4	2 (22)	10 (27)	10 (10)	9 (17)	4 (16)	5 (63)	40 (19)	9 (13)	21 (25)	7 (19)
N	9	37	68	52	25	8	208	70	84	38

Missing values included as Anot used@ (weight 4) if there are other response for that enterprise that year.

Table Q.12 Export as % of turnover to East- and West - on ownership

\majority ownership export % of turnover	state	foreign	do- mestic	mana- ger	em- ployee	no ma- jority	total	privati- zed	new	coop
to Eastern Europe 1995	8	4	2	3	7	0	4	9	1	5
1996	11	5	4	5	4	0	5	8	1	5
1997	6	6	7	4	2	1	5	8	2	7
To the West 1995	20	32	16	14	15	4	18	23	20	6
1996	21	33	20	19	13	9	20	28	22	8
1997	33	34	21	16	10	4	20	38	22	9
Total export 1995	28	36	18	17	22	4	23	33	21	11
1996	32	38	25	23	17	9	25	36	23	13
1997	39	41	28	21	12	5	26	44	24	16
N 1995	35	33	62	42	35	7	210	68	83	37
1996	11	34	75	46	34	7	209	68	83	37
1997	9	36	67	50	25	7	203	69	81	38

Missing values included as 0 export to Eastern Europe, if the firm has responded on exports to Western Europe and the other way round.

There is a slight increase in total export over time both for Eastern and Western markets. But Western markets are already at this time much more important for the enterprises. Employee owned enterprises have falling share of exports both to the East and to the West, while domestic externally owned enterprises show a positive increase in share of exports on all markets. Privatized enterprises have a higher growth in the share of exports than it is the case with new enterprises.

Not surprisingly foreign owned enterprises are on the highest level for Western exports, but state counts also high in 1997. The insider owned enterprises and the no majority groups are in the lower end for exports to both markets. Privatized have higher exports than new enterprises and coops are clearly lower than other groups.

The average utilization of the workforce (Table Q13A) is increasing over time for all groups. Especially the groups of state ownership and no majority are catching up so that by 1997 there are no significant differences between the groups. Only domestic external ownership and cooperatives are a bit below the other groups.

The average utilization of plant and equipment (Table 13B) has varied quite much for some of the different owner groups. State owned, employee owned and no majority enterprises have increased substantially from 1995 to 1997 while management owned enterprises have had a fall in the rate of utilization.

It is surprising that new enterprises record just as low utilization as privatized enterprises indicating that they have bought too much capacity from the start.

Table Q.13.A Average utilization of workforce - on ownership

\majority ownership	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
utilization of workforce	1995	76	90	80	85	80	75	82	87	90	82
	N	38	33	64	42	35	8	220	70	84	38
	1996	87	90	86	86	82	85	85	89	90	83
	N	12	35	77	47	39	8	220	70	84	38
	1997	93	91	85	90	91	94	90	92	91	85
	N	9	38	74	53	27	9	209	69	85	39
10-25%	1997	0 (0)	1 (3)	5 (7)	2 (4)	3 (11)	1 (11)	12 (6)	0 (0)	1 (1)	3 (7)
26-50%	1997	0 (0)	1 (3)	5 (7)	4 (8)	0 (0)	0 (0)	10 (5)	2 (3)	6 (7)	2 (5)
51-75%	1997	1 (11)	3 (8)	13 (18)	3 (4)	4 (15)	1 (11)	25 (12)	5 (7)	6 (7)	11 (28)
76-99%	1997	2 (22)	4 (11)	13 (18)	11 (21)	6 (22)	1 (11)	38 (18)	18 (26)	14 (17)	6 (15)
100%	1997	6 (67)	28 (74)	37 (50)	33 (63)	14 (52)	6 (67)	124 (59)	44 (64)	58 (68)	17 (43)
N	1997	9 (100)	38 (100)	74 (100)	53 (100)	27 (100)	9 (100)	209 (100)	69 (100)	85 (100)	39 (100)

Table Q.13.B Average utilization of plant and equipment - on ownership

\majority ownership	state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
utilization of plant and equipment	1995	64	79	70	81	72	66	74	70	78	78
	N	30	25	52	33	28	6	174	78	65	65
	1996	70	81	72	73	77	73	73	72	78	78
	N	8	29	64	35	32	5	173	78	65	65
	1997	85	82**	71	74	80	87	76	75	77	77
	N	9	38	74	54	27	9	211	78	65	65
0%	1997	0 (0)	8 (21)	4 (5)	7 (13)	1 (4)	2 (22)	22 (8)	16 (18)	2 (3)	2 (5)
1-25%	1997	0 (0)	2 (5)	8 (11)	4 (7)	5 (19)	2 (22)	21 (7)	2 (2)	5 (7)	5 (13)
26-50%	1997	0 (20)	2 (5)	11 (15)	8 (15)	3 (11)	0 (0)	24 (18)	9 (11)	6 (8)	9 (23)
51-75%	1997	2 (22)	5 (13)	22 (30)	9 (17)	5 (19)	1 (12)	44 (20)	16 (19)	24 (34)	4 (10)
76-99%	1997	2 (22)	12 (32)	12 (16)	13 (24)	7 (26)	2 (22)	48 (22)	24 (28)	14 (20)	8 (20)
100%	1997	5 (56)	9 (24)	17 (23)	7 (13)	6 (22)	2 (22)	52 (25)	19 (22)	19 (27)	12 (30)
N	1997	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	211 (100)	86** (100)	70** (100)	40 (100)

** with 21% of firms with 0 utilization rate how can the end result be 82% for foreign? **new priv turned around??
the part with groups of utilization may be skipped

Table Q.14.1 Investment in percent of fixed assets (primo) on ownership

\majority ownership		state	foreign	dom.	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
investment /fixed assets	1995	50	22	23	56	90	41	51	51	36	69
	N	32	31	58	41	27	8	197	65	82	37
	1996	33	35	52	64	66	15	52	62	49	37
	N	10	32	69	46	33	8	199	67	83	37
	1997	11	54	45	50	15	20	38	36	54	29
	N	9	38	74	54	27	9	211	75	87	40
0%	1997	2 (22)	5 (13)	15 (20)	6 (11)	8 (30)	4 (44)	40 (16)	7 (9)	27 (31)	7 (18)
]0-5]%	1997	3 (33)	4 (11)	6 (8)	1 (2)	5 (19)	1 (12)	20 (49)	9 (12)	6 (7)	2 (5)
]5-20]%	1997	0 (0)	0 (0)	3 (4)	0 (0)	0 (0)	0 (0)	3 (14)	0 (0)	1 (1)	2 (5)
]20- %	1997	4 (45)	29 (76)	50 (68)	47 (87)	14 (51)	4 (44)	148 (21)	59 (79)	53 (61)	29 (72)
N	1997	9 (100)	38 (100)	74 (100)	54 (100)	27 (100)	9 (100)	211 (100)	75 (100)	87 (100)	40 (100)

missings excluded, 0'es included

For the whole group investment has fallen from 1995 to 1997 seen in relation to fixed assets. The fall is especially steep for state, employee and no majority ownership as well as for the group of cooperative origin, while foreign and external domestic ownership has increased. For companies with very low fixed assets quite small investments in 1995 mean a steep increase in assets and explain why the ratio is lower in the following years although investment may have been stable or even increasing.

This was in fact the situation for the three groups, as it can be seen from Table Q.14.2. Because of the quite low fixed assets in some companies this table probably gives the best indication for the differences in investment levels. Insider owned enterprises are low when using indicator, while foreign and external domestic ownership, and cooperatives 1995 and 1997 have high investment levels.

Table Q.14.2 Investment per employee - on ownership

\majority ownership		state	foreign	domes- tic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop
investment /employees	1995	23	31	48	9	7	13	32	21	14	55
	N	24	31	61	40	32	8	196	61	84	39
	1996	6	62	50	11	16	14	47	23	26	75
	N	5	33	71	39	35	7	192	62	81	36
	1997	22	46	46	19	7	36	38	32	31	30
	N	9	38	74	54	27	9	211	75	87	40

missings excluded, 0'es included

Table Q.15.1 Composition of products - on ownership

\majority ownership	state	foreign	do- mestic	mana- ger	em- ployee	no ma- jority	total	priva- tized	new	coop	
product 1	1995	71	71	69	72	71	61	70	62	73	71
% of production	N	31	30	57	37	28	6	189	69	81	31
	1996	70	73	69	72	67	81	70	67	72	71
	N	11	33	73	43	33	6	201	69	84	36
	1997	65	75	68	69	76	72	70	68	73	73
	N	9	35	65	52	23	7	199	71	81	40
product 1+2+3	1995	96	98	95	97	97	98	97	95	98	98
% of production	N	31	30	57	37	28	6	189	69	71	31
	1996	99	98	96	98	96	98	97	96	97	97
	N	11	33	73	43	33	6	201	69	84	36
	1997	100	97	96	97	96	100	97	96	97	96
	N	9	35	65	52	23	7	199	71	81	40
product order 1993 same as 1996		8 (73)	1 (25)	4 (13)	14 (28)	6 (16)	3 (15)	1 (25)	29 (20)	12 (20)	9 (14)
product order 1993 different 1996		3 (27)	3 (75)	26 (87)	37 (72)	32 (84)	17 (85)	3 (75)	118 (80)	49 (80)	53 (86)

Missing values included as 0, if the firm has responded for one or two products that year.

The enterprises were asked about the share of the three main products in different years. Change in products would show changes in these proportions and also change in the relative performance of the three products. However, the results show a quite stable pattern concerning product 1, and it also shows that the three main products in general covered nearly the whole production. The last two lines describes whether the order of importance of the three main products are the same for 1995 and 1997 or if they have changed. It can be seen that in general 80% of the companies have changed the composition, and in this respect foreign and insider owned enterprises are changing slightly more than the remaining groups.

9. Conclusion

The main research questions concerned the variation on different types of ownership - divided in majority ownership by state, foreign, domestic external, managers, other employees or no majority. The survey also distinguished between state owned, privatized, or established directly as new private firms. In this respect the definition of de novo-enterprises were not only based on size as in most other studies. In fact the results show that by 1997 a considerable number of new enterprises had more than 50 employees and some privatized enterprises had less than 50 employees.

The research questions concerned the relation between ownership structures and:

- 1: the relation between ownership and control;
- 2: compensation systems for managers and other employees;

3: different forms of restructuring.

1. How is the relation between difference types of ownership and the influence of different groups? How is the owners' governance of managers?

For insider owned and for foreign owned companies there is a quite strong correspondence between the type of owners and their representation in the company boards. However, for state owned and externally domestic owned companies it is quite rare that these groups actually have the majority of seats in the board. Instead the managers and also other employees have a quite strong position. We assume that especially the higher ranks of other employees, specialist, are represented in the boards. This is confirmed by direct asking the managers about their perception of the influence of different groups on different decision areas. In general managers are considered to have the highest influence on decisions in all areas. Other employees are ranking second, but significantly lower than managers. In the area of selection of managers, foreign, external domestic and employees match manager's influence, but for other areas other owner groups are perceived to have much lower influence than managers. The managers perceive that they have more influence on strategic decisions in management owned enterprises than in other ownership types. In employee owned firms the employees are not considered to have more influence than in other enterprises where they do not have a majority of the ownership. The highest influence areas for other employees are on safety and health.

Unions have a slightly declining rate of membership in all types of enterprises. The fall is especially steep in employee owned enterprises. 99% of the new enterprises have no unions. Employee influence through unions is most important in state owned enterprises. Other procedures for influence than through unions are most important in employee owned enterprises and in no-majority companies. In employee owned companies it is in fact influence through shareholding that is considered to be the most important channel of influence. It is worth noting that this type of influence for employees is also considered to have high importance in companies with domestic external ownership and with no-majority ownership, indicating that employees often have influence through minority shares in these types of companies. Whereas in companies with foreign or manager majority employees do not have much influence as shareholders.

2. Do the compensation systems for managers and other employees vary with the different type of ownership structures? In these preliminary results we found only insignificant variations between different groups of majority/dominant owners and also a quite stable relation over the investigated time period.

3. Do the degree and type of restructuring vary over time and between the different types of ownership? The differences between owner-groups are modest concerning organizational changes of number of departments and changes in hierarchical levels. Concerning orientation toward Western markets there is an increasing trend for all enterprises, but with foreign owned companies in a leading position. Foreign owned enterprises also have higher investment levels measured per employee.

Concerning the source of financing for different owner groups the traditional finding is confirmed for employee owned companies in relation to their dependence on internally generated capital. Extra capital injected from external owners play an important role only for foreign, managerial and no majority enterprises.

Questionnaire to be Completed by person interviewing the Top Manager of the firm

Enterprise governance and restructuring.

This project is for Estonia done in cooperation with the ESA, Eesti Statitikaamet, and Copenhagen Business School. The objective of the project is to analyze the relation between different ownership structures and organizational structures and restructuring of the enterprise. For this purpose top-managers in 100-200 enterprises in each of the three Baltic countries will be interviewed. The collected data will be treated as strictly confidential. The enterprises will be treated as anonymous entities and it will not be possible to identify specific enterprises in the published results.

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I Organization, Management and Board Structure

Q1/ a) Who appointed you? (top manager) _____

[Enter from following list: 1 = by state ministry or any state administration; 2 = elected by labor collective; 3 = elected by a meeting of shareholders; 4 = by state property fund/privatization agency; 5 = by meeting of company board; 6 = other

b) When were you appointed? Year _____ Month _____

Q2 Composition of Company Board (for 1996 nougoku): 1997 1996 1995 1994 1993
(if not existing, write 0 in the first line, question a)

a) What is the number of members of the board?	_____	_____	_____	_____	_____
How many of the board-members represents					
b) the state or local municipalities?	_____	_____	_____	_____	_____
c) foreigners or foreign companies?	_____	_____	_____	_____	_____
d) domestic private external owners?	_____	_____	_____	_____	_____
e) insiders ?	_____	_____	_____	_____	_____
f) managers ?	_____	_____	_____	_____	_____
g) other employees	_____	_____	_____	_____	_____

Q3/ a) Does (did) the contract for the top manager provide for remuneration that depends on the company's overall results? 1=Yes ; 2 = No 1997 1996 1995 1994 1993

b) What was the criterion?
1. Profit ; 2 Sales; 3 = Other (specify) _____

c) What % of total pay was accounted for by this criterion? _____

Q4 Important changes in the organization, 1 = Yes; 2 = No 1997 1996 1995 1994 1993

a) Have you changed the number of departments?	_____	_____	_____	_____	_____
b) have you changed the number of hierarchical levels?	_____	_____	_____	_____	_____
c) Have you sold or closed down parts of the enterprise?	_____	_____	_____	_____	_____
d) Have you included some new units in the enterprise?	_____	_____	_____	_____	_____

e) Other important changes in the organization _____
 specify: _____

II Compensation System

Q5/ How much was the average monthly salary for 1997 1996 1995 1994 1993
 a) the topmanager _____
 b) all employees _____
 c) the lowest paid employee _____

Q6/ What was the *main* form of payment 1997 1996 1995 1994 1993
 for the largest group of production workers: _____

[Use this list; 1 = Time rate (hourly); 2 = Time rate (weekly, monthly); 3 = Piece rate;
 4 = Other(specify)_____]

Q7/ Additional payment systems. Non-managerial employees. Did the establishment operate
 a

[1=Yes; 2 = No] 1997 1996 1995 1994 1993
 profit sharing payment system* _____
 monetary incentive scheme** _____

[* Profit-sharing payment systems pay all or part of wages and salaries on the basis of the
 total establishment's performance (eg based on net revenues or profits.)

** Monetary-incentive schemes are payments in addition to the basic wage made to motivate
 non-managerial employees. This is not directly linked to the level of profit or total revenue of
 the total establishment, but can be related to the result of a team/department.]

Q8/ Approximately what per cent of production worker earnings were paid in non-monetary
 benefits (e.g. food, consumer goods, holiday facilities, etc.)?
 in 1997 _____% in 1996 _____% in 1995 _____% in 1994 _____% in 1993 _____%

III Inputs and Outputs

Q9/ Rank the following according to their importance as sources for financing investment
 [1 = Most important, 2 = Next most important, ..., 7 = Least Important; 0 = not used]

1997 1993
 Savings inside the company (profits) _____
 Extra capital from the owners _____
 Allocation by the government _____
 Loan from banks or investment funds _____
 Domestic private capital _____
 Foreign private capital (not owners) _____
 Investments by other establishments _____

Q10 (a) Rank the following as sources of the firm's material inputs
 [1 = most important, 2 = next most important, 3 = least important, 0 = not used]

1997 1996 1995 1994 1993
 Imports from Eastern Europe _____
 Imports from Western Europe _____
 Local production _____

Q11 For your main product

a) how many other *domestic* firms compete with you?

b) how many *foreign* firms compete with you?

1997 1996 1995 1994 1993

Q12 (a) What percent of your turnover is exported to Eastern Europe? 1997 1996 1995 1994 1993
 ___% ___% ___% ___% ___%

(b) What percent of your volume of production is exported to the West? ___% ___% ___% ___% ___%

Q13 a) Did you use your workforce 100% of the time or lower? Specify average utilization percentage: 1997 1996 1995 1994 1993
 ___% ___% ___% ___% ___%
 (example: reduced working hours because of lack of order means a lower percentage holidays or lower hours requested by the employees do not mean a lower percentage)

b) How high was the capacity utilization of plant and equipment on average? ___% ___% ___% ___% ___%

c) (i) Could you have produced a similar volume of production with fewer workers?
1997 1996 1995 1994 1993
 ___ ___ ___ ___ ___
 1 = Yes, 2 = No

(ii) If yes, approximately what percentage of fewer workers? ___% ___% ___% ___% ___%

Q14 How much was spent on **investment** on fixed assets?
1997 1996 1995 1994 1993

Q15 How big a percentage of total production made approximately the three main products in ? 1997 1996 1995 1994 1993
 product 1 (specify)..... ___% ___% ___% ___% ___%
 product 2 (specify)..... ___% ___% ___% ___% ___%
 product 3 (specify)..... ___% ___% ___% ___% ___%

IV Labor Management Relations

Q16/a) How many workers were members of labor unions? 1997 1996 1995 1994 1993
 ___ ___ ___ ___ ___

b) To how many different unions did they belong? ___ ___ ___ ___ ___

Q 17(a) Besides trade union structures, does your firm have any other procedure in which representatives of employees regularly meet with management to discuss policies at company-level? 1 = Yes; 2 = No _____

(b) What is this structure? _____

(c) Rank the following structures in terms of their importance for enabling employees to exercise influence over company decisions concerning labor:

[1 = most,, 3 = least, 0 = not relevant] 1997 1996 1995 1994 1993
 trade unions _____
 Employees as shareholders _____
 Other structure (as in part (b)) _____

Q18 For the following different issues, what was the influence of the following groups:

1 = high influence, 2 = some influence, 3 = low or no influence

a: 1997 issues	groups	managers	other em- ployees	Est. private ext.owners	foreign ext.owners	state and municipality
1.long term plans for production						
2.introduction of new technology						
3.selection of managers						
4.employment reduction/increase						
5.wage-levels						
6.safe and health at the workplace						

a: 1996 issues	groups	managers	other em- ployees	Est. private ext.owners	foreign ext.owners	state and municipality
1.long term plans for production						
2.introduction of new technology						
3.selection of managers						
4.employment reduction/increase						
5.wage-levels						
6.safe and health at the workplace						

a: 1995 issues	groups	managers	other em- ployees	Est. private ext.owners	foreign ext.owners	state and municipality
1.long term plans for production						
2.introduction of new technology						
3.selection of managers						
4.employment reduction/increase						
5.wage-levels						
6.safe and health at the workplace						

a: 1994 issues	groups	managers	other em- ployees	Est. private ext.owners	foreign ext.owners	state and municipality
1.long term plans for production						
2.introduction of new technology						
3.selection of managers						
4.employment reduction/increase						
5.wage-levels						
6.safe and health at the workplace						

a: 1993 issues	groups	managers	other em- ployees	Est. private ext.owners	foreign ext.owners	state and municipality
1.long term plans for production						
2.introduction of new technology						
3.selection of managers						
4.employment reduction/increase						
5.wage-levels						
6.safe and health at the workplace						