

# Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

<b>Student:</b>	<b>Bc. Markéta Červená</b>
<b>Advisor:</b>	<b>Doc. PhDr. Martin Gregor, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Supervisory Boards of Joint Stock Companies and Employee Co-determination in the Czech Republic</b>

## **OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):

*Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Short summary**

Using firm-level panel data on Czech joint stock companies with over 500 employees Markéta Červená tests in particular whether mandatory employee participation negatively impacts supervisory boards' powers to elect and recall executives and what impacts mandatory employee participation had on gender composition of supervisory boards.

The main results are that mandatory employee participation negatively impacts supervisory boards' powers to elect and recall executives. The effect on gender composition of supervisory boards is mixed.

### **Contribution**

Markéta Červená created her own unique firm-level database to answer several important research questions. To obtain her data, she manually went over 1200 documents (Articles of Association and Minutes of General Meeting) published in the business register. The collected data was then merged with the Magnus Bisnode database. The author is working with new unique data and her work clearly contributes to our existing knowledge.

### **Methods**

Several research questions were answered by using descriptive statistics computed on the dataset (chapter 5).

The main hypotheses (chapter 6, see p. 48) - H1: "The supervisory board tend to lose their power to elect executives, when co-determination is introduced" and H2: "The female representation statistics respond positively to co-determination introduction, but only in feminized industries, such as healthcare" were tested using the *Random effects probit* with Wooldridge-Chamberlain transformation. The partial maximum likelihood method was used for estimation. These are advanced econometric techniques. The author works in Python and her work with data clearly shows her very good quantitative skills.

### **Literature**

Literature review provides information on a broad class of related research questions – especially about a relative efficiency of one-tier and two-tier systems and impacts of co-determination on the performance of companies. However, I did not find any information about the existing research related

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to the main hypothesis H1 that asks whether the supervisory board tend to lose their power to elect executives, when co-determination is introduced.

## Manuscript form

The thesis reads very well, it is logically structured. At first sight, the thesis typeset in LATEX using the IES Thesis Template looks very good. However, my very positive overall impression is made a little bit worse by many grammar mistakes and plethora of typos. Grammar mistakes are everywhere, even in the Czech abstract and in the very first paragraph of introduction.

## Overall evaluation and suggested questions for the discussion during the defense

I consider the thesis to be of a very high quality. I appreciate a lot the time and effort that Markéta Červená invested in her thesis. She clearly demonstrates her great research potential. She should rewrite the thesis into a journal article and try to publish it.

I am not clear on the existing literature specifically related to the main H1 hypothesis. Has anybody tested whether the supervisory boards tend to lose their power to elect executives, when co-determination is introduced? If yes, how the author would compare her research to the existing literature? If not, the author should explicitly stress it since it increases her value added tremendously. I believe the introduction and the conclusion should be rewritten to clearly explain the value added of the thesis and its relation to the existing literature.

In my view, the thesis fulfills the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

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## **SUMMARY OF POINTS AWARDED** (for details, see below):

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	30
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	17
<b>TOTAL POINTS</b> (max. 100 points)	<b>94</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>A</b>

**NAME OF THE REFEREE:** *Pavel Vacek*

**DATE OF EVALUATION:** *5 September 2022*

*digitally signed (5.9.2022):  
Pavel Vacek*

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*Referee Signature*

**EXPLANATION OF CATEGORIES AND SCALE:**

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

**Overall grading:**

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F