Industrial Relations Research Unit
Warwick Business School
University of Warwick

Annual Report, 2001
1 INTRODUCTION AND OVERVIEW

IRRU embraces the research activities of the industrial relations community at Warwick Business School (WBS), including some staff who are also members of the Industrial Relations and Organisational Behaviour (IROB) subject group of WBS. Membership at the end of the year numbered 15 (compared to 16 the previous year); in addition, two members of the sister research centre on Skills, Knowledge and Organisational Performance (SKOPE) retain their membership of IRRU. Membership is detailed in Appendix B.

Last year’s report indicated four main themes of IRRU research. As detailed below, significant progress was made during the present year on all four.

• On European and comparative research, research progressed on ESRC-funded research on the European dimensions of collective bargaining and on comparative case studies of MNCs; the initial stage of a potentially major survey of the employment practices of MNCs was undertaken; and work on eastern Europe and the industrial relations implications of European enlargement was developed.

• On work organisation and the management of change, a new study funded by the DTI on social partnership was begun.

• On equality and diversity, a new group under the title Researching Equality and Diversity (READ) was established and a new research collaboration with Australian colleagues was initiated.

• And on legal regulation of employment, the new project mentioned last year was begun. In addition under this head, a new study funded by the DTI, on the impact of employment laws on small firms, was launched.

IRRU has in the past played a major role in running journals in its field, including launching the Human Resource Management Journal and the European Journal of Industrial Relations. We are thus pleased to announce that from the start of 2002 the Industrial Relations Journal moves to Warwick under the editorship of Mike Terry. Details are given below. Other publications developments during the year included the completion of HRM in Context (co-edited by Helen Newell and discussed below at p. 9) and the near completion of the revised edition of IRRU’s textbook, Industrial Relations, which will be published in 2002.

The aim of IRRU is to continue to produce high quality, independent research, and thereby improve the analysis and information available to policy makers in government, management, and trade unions. In recent years, a strong European and comparative dimension has run through the research programme. One target in the achievement of this goal is the obtaining of research grants to permit the employment of new researchers. Several bids were made during 2001, but those which were successful employed staff for only relatively short periods. It is also notable that our own income-generating activities have enabled existing contracts to be rolled forward. A challenge for the future will be to pursue new funding opportunities and thus maintain a critical mass of active researchers.

2 STAFFING

As reported last year, Paul Marginson took up his professorial post in February. We are also delighted to report that early in 2002 Mark Hall was promoted to Principal Research Fellow, with effect from October 2001. At the same time, Mark moved onto
a two-year rolling contract which is essentially ‘self-financed’, i.e. funded from the proceeds of *European Works Councils Bulletin* and from IRRU’s contract as the UK national centre for the European Industrial Relations Observatory.

Among staff leaving during the year, special mention is due to David Winchester. David retired in September after 23 years as a member of the teaching group, and for much of this time he was also a member of IRRU. His commitment to the subject and his supportive and collegial approach will be long remembered. David Collinson left at the end of the year to take up a Chair in Management Learning at Lancaster. It is pleasing to report that Anne McBrine, who moved from the contract research staff of IRRU at the end of 2000 to a temporary lecturing position in IROB, secured a lectureship at UMIST. In March 2001, Aline Hoffmann and Torsten Müller came to the end of their employment on the project on European Works Councils. Aline has taken up a position at IG Metall while Torsten has been appointed to a research post at the University of Applied Sciences, Fulda, with effect from February 2002, where he is working on a project on ‘world works councils’. Finally, Linda Inness retired from her post as part-time clerical assistant.

We are pleased to report that two members of IROB joined IRRU during the year. They are Anne-marie Greene and Ardha Danieli. In addition, three colleagues with whom we have had long-standing research contacts, Jane Arrowsmith, John Black and Jill Smith, joined IRRU as researchers on short-term research projects.

As reported last year, Robert Taylor became a visiting fellow. We are pleased to report that he aims to continue his research at Warwick, and from January 2002 he became an associate fellow. Finally, as part of the move of the *Industrial Relations Journal* to Warwick, the former editor Brian Towers (who has held professorial posts at Nottingham Trent and Strathclyde Universities) became a visiting fellow.

3 RESEARCH PROJECTS

**European Works Councils**

IRRU’s three-year research project investigating the impact of European Works Councils in US- and UK-headquartered multinational companies (led by Mark Hall and Paul Marginson and involving Aline Hoffmann and Torsten Müller as research fellows) came to an end in September 2001, though the writing up of research findings for publication is continuing. The research tracked two annual cycles of EWC activity in each of eight companies, four headquartered in the UK and four in the US. The fieldwork, which included extensive interviews with senior management and employee representatives, examination of documentation and the observation of EWC and related meetings, was largely completed by Easter 2001. A workshop for senior management and employee representatives from the participating companies took place in London in May, at which initial research findings were presented and discussed.

During the year, the research team presented findings from the project in two conference papers. A paper on the interaction between EWCs and industrial relations at national level was presented at the IREC conference on ‘Globalisation, competition and governance of employment and working conditions in Europe’ in Madrid in April. A second paper on the impact of EWCs on management decision-making was presented to an international conference on ‘Multinational companies and human resource management: between globalisation and national business systems’ at De
Montfort University School of Business in July 2001. An extensive review of the literature on EWCs compiled by Müller and Hoffmann established a significant gap in respect of analysis of management’s practical response to these new transnational structures and their impact on transnational business decisions. Accordingly, the main findings of the conference paper on EWCs’ impact on management decision-making are outlined below in the research summaries section (p. 13).

In addition, in December 2001, the research team held a successful one-day conference on ‘European Works Councils in practice’ here at the University of Warwick at which they presented key findings from the project to an invited audience of some 30 academics, practitioners and policymakers, including participants from government, EU, employer and trade union organisations. The conference also included presentations of research into the practice of EWCs by researchers from elsewhere. Presentations of the research findings were also given to a group of senior Dutch managers, visiting Warwick through the Lemniscaat Management School in May 2001; an international seminar sponsored by the Hans-Böckler Foundation in Brussels in October 2001; and the Engineering Employers’ Federation in November 2001.

At the end of the year, one team-authored journal article had been published, in the December 2001 issue of the German-language journal WSI Mitteilungen. Another was under review and two further articles were in preparation. Müller and Hoffmann’s literature review was published in the Warwick Papers in Industrial Relations series in November 2001, and a shorter version prepared for the German-language journal Industrielle Beziehungen. A feature summarising the project’s findings concerning the impact of EWCs on management decision-making was published in the November/December 2001 issue of European Works Councils Bulletin.

Associate Fellow Mark Carley and Mark Hall have continued to co-edit European Works Councils Bulletin. Launched in the autumn of 1995, EWCB is jointly published by IRRU and Industrial Relations Services six times a year and provides high-quality, independent analysis of all aspects of European Works Councils and EU information and consultation developments more generally. It is now in its seventh year of production. During the period under review, European Works Councils Bulletin has maintained a sound subscription base. As well as boosting IRRU’s profile amongst key ‘user’ groups, particularly multinational companies, the Bulletin continues to generate significant income to IRRU’s research funds.

Carley and Hall also co-authored a chapter on ‘Worker representation’ for the Sweet & Maxwell encyclopaedia EU employment law and the UK published in 2001. This reviewed the development of law and practice at European and national level relating to European Works Councils and other aspects of employee information and consultation including the European Company Statute and the proposed Directive on national information and consultation rules.

Paul Marginson and Mark Hall collaborated in a preparatory study, commissioned by the European Foundation for the Improvement of Living and Working Conditions, on the practicalities of undertaking a major investigation of ‘EWCs in practice’ across a range of countries and sectors.

European Industrial Relations Observatory

During 2001, IRRU continued as the UK national centre for the European Industrial Relations Observatory (EIRO), which operates under the aegis of the European
Foundation for the Improvement of Living and Working Conditions and is based on a network of leading research institutes in each of the EU countries plus Norway. Established in 1996, the Observatory collects, analyses and disseminates high-quality and up-to-date information on key developments in industrial relations in Europe, primarily to serve the needs of a core audience of trade unions and employers’ associations at national and European level, governments and EU institutions. As the UK national centre, IRRU provides the Observatory with a range of inputs including in briefs on key UK developments and debates; longer, more analytical features; and contributions to comparative studies which focus on a particular topical issue and its treatment across the 16 countries covered by EIRO. These various inputs appear as records on the Observatory’s database, EIROnline, which is the core of EIRO’s operations and is publicly accessible on the internet at http://www.eiro.eurofound.ie. A small, edited selection of EIRO material appears in hard copy in the bi-monthly publication, EIROObserver.

IRRU’s work for the Observatory is co-ordinated and edited by Mark Hall, who also writes IRRU’s complement of in briefs. Features and contributions to comparative studies are provided by IRRU members and other UK researchers. In the autumn of 2001, James Arrowsmith and Keith Sisson were responsible for co-ordinating and writing up an EIRO comparative study on ‘Working time developments and the quality of work’. Full details of IRRU’s input to EIRO over the period under review are contained in Appendix A. IRRU received a very positive editorial assessment of its EIRO input during 2001 from the EIRO management team in Dublin. This concluded that ‘the UK national centre has continued to perform in an exemplary fashion’.

**Europeanisation of Collective Bargaining**

Paul Marginson and Keith Sisson have, since January 2001, been joined by Jim Arrowsmith in work on this project, funded under ESRC’s ‘One Europe or Several?’ programme. The research focuses on the emerging European dimension to collective bargaining at sector and company levels, in a context where a strong trend for decentralisation towards the company level also continues. It is based on a cross-national study of employers’ organisations, multinational companies and trade unions at European and national levels, in four countries (Belgium, Germany, Italy and the UK) and two sectors (metalworking and financial services). A central theme is that two forms of ‘virtual collective bargaining’ are emerging at European level, one through so-called ‘soft’ forms of regulation such as framework agreements and the other through growing cross-border exchange of bargaining information and co-ordination of bargaining agenda and outcomes.

Last year we reported that Sisson and Marginson, in a working paper published in the One Europe or Several? Programme’s series, drew on a range of theory and evidence to offer a systematic overview of co-ordinated bargaining. Two further papers have followed during 2001 elaborating further aspects of the analytical framework underpinning the project. Also published in the Programme’s working paper series, the papers examine, respectively, the significance of so-called ‘soft’ forms of regulation and of benchmarking for the Europeanisation of industrial relations.

The paper on ‘soft regulation’ reviews the nature and extent of this news approach, which has emerged within industrial relations in recent years within both national systems and at the international and European levels. It examines the reasons for the its emergence, emphasising the increasing complexity of collective bargaining and the
role that ‘soft’ regulation plays in addressing the collective action problem in such a context. It also highlights the importance of the devolved implementation which ‘soft’ regulation facilitates. Major criticisms that ‘soft’ regulation has attracted in the existing literature – it provides minimum rather than standard provisions; it applies to ‘soft’ and not ‘hard’ issues; and it is non-binding and therefore ineffective - are assessed and questioned. The paper concludes that, as the extent and forms of ‘soft’ regulation continue to accumulate, clarification of the roles of the cross-sector, sector and company levels is required. National systems will continue to have an important role in turning ‘soft’ into ‘hard’ regulation.

The paper on benchmarking develops these themes further. ‘Benchmarking’ has emerged as an explicit and important form of ‘soft’ regulation at EU level in the economic and social field. The paper analyses the development of benchmarking and the issues and problems that it raises as an instrument of EU regulation. Originally, benchmarking was a management tool to improve competitiveness by means of external comparisons. This remains important, not least at the level of the Euro-company. Trade unions, notably in the metalworking sector, have in turn developed their own means of ‘benchmarking’ hours and pay internationally. The third face of European benchmarking, at the EU level, closely resembles the benchmarking used by the social partners. Progress towards policy goals is to be made by target-setting, measurement and evaluation. However, significant political and technical issues undermine the logic of benchmarking at this level. The paper concludes that benchmarking will be a weak process if it is detached from conventional forms of regulation.

The first phase of fieldwork, largely undertaken during 2000, involved sector-level interviews undertaken with representatives of employers’ organisations and trade unions in the two sectors, metalworking financial services, in Belgium, Germany Italy and the UK. During 2001 the findings have been analysed, written up and presented in a paper to an international workshop on ‘Industrial Relations: an anachronism?’ at the University of Tübingen in June 2001. In September 2001, a synthesis of the findings was sent to the forty-four European- and national-level representatives of employers’ organisations and trade unions interviewed during the sector-level phase of the fieldwork. During the second half of 2001 progress has been made in the second phase of fieldwork, which comprises company case studies in each of the four countries and two sectors. The aim is to complete one in each sector in each of Belgium, Germany and Italy and two in each sector in the UK.

During the year, formal conference papers were presented at the 6th European regional congress of the International Industrial Relations Association (IIRA), Oslo, and a second paper at the international workshop at the University of Tübingen (see above), both in June 2001. Presentations on the themes and findings of the research were given at two conferences organised by the European Foundation for the Improvement of Living and Working Conditions, in Stockholm in October 2001 and Madrid in December 2001. Publications during 2001 include a chapter on in an edited collection on ‘Collective bargaining under the Euro’, a paper in the Warwick Papers in Industrial Relations series, two features for the European Industrial Relations Observatory, two papers in the ESRC programme series (see above) and a briefing note on ‘Benchmarking and the Europeanisation of social policy’ under the ESRC programme’s briefing for policy-makers series. At the end of the year, one paper has been accepted for publication in a refereed journal and a further two are under review with refereed journals.
**Multinational Companies**

*Survey of MNCs*

Paul Edwards and Paul Marginson, together with Associate Fellows Prof. Anthony Ferner and Dr Tony Edwards, began work on a survey of the employment practices of MNCs. Building on IRRU’s established tradition of company-level surveys, the research aims to such issues as the formulation of policy, relationships between head offices and subsidiaries, and the link between employment relations and overall business strategy. A key feature of the survey is its basis in a comprehensive database of MNCs operating in the UK, for previous surveys have often been based on unreliable sampling methods from populations with unknown characteristics. A successful bid to the University Research and Teaching Development Fund (supplemented with funding from WBS and de Montfort Business School) supports the first stage of the project. The task, on which Jane Arrowsmith is the researcher, is to produce a detailed listing of all MNCs above a certain size with UK operations. This is due for completion in spring 2002. The researchers then aim to make a major funding bid, to support a telephone interview with a large number of firms and face-to-face interviews at a representative sample of them. It is also hoped to engage colleagues in other countries to conduct parallel surveys of MNCs with operations in these countries.

*Comparative case studies*

As reported last year, Martyn Wright and Paul Edwards are the British participants in a study by a Canadian team, funded by the Canadian Social Sciences and Humanities Research Council, on ‘the foundations of workplace efficiency’. The study takes two Canadian firms and employs case studies of their sites in Canada, the US and the UK. Using a combination of surveys of staff opinions and qualitative methods, the study examines the links between the organisation of work and outcomes for firms and workers, as well as such issues as international ‘best practice’. It is hoped to start UK fieldwork in one company in the summer of 2002.

**Industrial Relations and EU Enlargement**

Guglielmo Meardi continued his work on EU enlargement, building on his earlier research on industrial relations in eastern Europe. He has a forthcoming journal paper on the case of Poland. He also won a research grant from the British Academy for a pilot study of the involvement of employee representatives in European Works Councils. The study found that about one-third of EWCs in companies with Polish operations already include Polish representatives. Co-operation with western worker representatives has generally been successful, and the potentially divisive issue of production relocation from west to east has not in face emerged as a serious issue.

**Comparative Workplace Industrial Relations**

Over the past year Valeria Pulignano was employed 50% in the University of Warwick and 50% in the University of Calabria (Italy) where she carried out most of her research activities. Her research work within this collaboration comprises study of the management of change and workplace industrial relations in the metalworking sector, particularly the automobile industry. Since mid-2000, she has started to work on a new research project, ‘Outsourcing and modular organisation and their implications for industrial relations and labour organisation in the motor industry: an international analysis’. This is an Italian project funded by the Ministry of Research in Italy (MURST - *Ministero dell’Universita’ per la Ricerca Scientifica e Tecnologica*)
with Italian partners (University of Calabria and University of Turin – Co-ordinators: Profs G. Sivini and G. Bonazzi). The project focuses on investigating the implications of the new management of changes for social (forms of labour control and survival strategies at the workplace) and industrial relations (collective bargaining and workplace representation) matters by considering the Italian, Brazilian and French experience in the motor industry. Among the themes of this research is the effect on industrial relations of new contractual relationships between car assemblers and their suppliers.

Employment Relations in Small Firms

Dissemination of the results of the ESRC-funded study of pay and performance in small firms, which ran to September 2000, continued during the year. Two conference papers were given, from which a paper was drafted; it will be published in 2002. The research team sees the argument of the paper as important for public policy; an outline is included among the research summaries below. Two other papers were published during the year, one is forthcoming, and one was revised and resubmitted to a journal.

The bid to ESRC for a new project was unsuccessful. However, two projects, both conducted by Paul Edwards with Professor Monder Ram (de Montfort University), were commissioned from the DTI. The first is a small-scale qualitative study of employer policy and practice on the employment of illegal immigrants. The second is a larger project, examining small firms’ responses to employment legislation. It entails a total of 18 case studies in three sectors, and has employed John Black as research officer. The first project was completed during the year while the second was continuing; results are not yet in the public domain.

Trade Unions and Employee Representation

Mike Terry has been developing his work into systems of employee representation. He has written a chapter on this topic for the forthcoming IRRU textbook and three further conference papers, two of which move into the topical area of ‘workplace partnerships’. Mike’s particular focus has been on the implications of partnership for trade union strategy and behaviour and this will be a feature of his future research work. In September Mike was the successful bidder for a DTI contract to evaluate the Partnership Fund-supported activities of the Department. He is working on this with Jill Smith who has been appointed to a full-time 6-month contract to undertake the detailed case study work. This provides a unique opportunity to look at the operationalisation of the partnership approach in a wide range of settings, including union and non-union environments. An interim report has been submitted to the Department and the final report is projected for June/July 2002. This should lead to publications, to the possibility of further research applications, and to a significant IRRU contribution to an area of important policy and theoretical debate.

Equality and Diversity

Research in this area progressed with the formal establishment within IRRU of the Researching Equality and Diversity (READ) research group. Involving Ardha Danieli and Anne-marie Greene among others, READ acts as a focus for work in this area and consolidates an established IRRU specialism. READ is intended as a research network to encourage collaboration on researching equality and diversity both within Warwick and with other institutions. In the short term it is intended to produce a READ edition of Warwick Papers in Industrial Relations which would bring together
the research on equality and diversity already being conducted in WBS. READ will also be used as a vehicle for attracting more PhD students to research in these areas.

During the year Dickens, as partner investigator, helped develop a research proposal with colleagues in Australia which was submitted to the Australian Research Council (chief investigators: Strachan and Burgess, University of Newcastle, NSW). The research project, which has obtained ARC funding for three years, starts in January 2002 and will explore policy approaches and progress towards equal employment opportunity in Australia and Britain. An article by Dickens entitled ‘What Human Resource Management means for gender equality’, first published in the Human Resource Management Journal, was reprinted in J. Kelly (ed.) Industrial Relations: Critical Perspectives in Business and Management (Routledge, 2002). This is the second time this article has been selected for inclusion in a critical text, having been included by Michael Poole in Human Resource Management: Critical Perspectives published by Routledge in 1999.

Sonia Liff continued her research in this area, publishing a paper in Gender, Work and organisation and contributing a chapter to the forthcoming Industrial Relations textbook. Anne-marie Greene published widely on the interface between equality issues and trade union organisation and education. Her book, Voices from the Shopfloor, published during the year, deploys an ethnographic approach to analyse links between the workplace and the home, the mobilisation of collective solidarity, and the nature of paternalism.

Ardha Danieli has co-written a chapter for an edited book and is currently working on two papers which reflect her continuing interest in equality and diversity by engaging with methodological debates on how research should be conducted on both disability and gender. One, based on a conference paper in September 2000 will be submitted to a journal shortly. The other, ‘Knowledge and Identity: the legitimacy of diversity and difference voices’ is to be presented at a conference described below.

Information Technology

Sonia Liff continued to publish from her research, funded by the ESRC under its Virtual Society Programme, on the effects on work organisation of new technologies. The research focuses on the use by local groups in three countries of ‘electronic gateways’. It shows that such technologies do not have determinate effects, and points instead to the ways in which such groups can make use of the technologies.

In similar vein, Anne-marie Greene has published work drawing on her own doctoral research on the lock industry in the West Midlands to argue for the value of ethnographic analysis in understanding such contemporary issues as the role of information and communication technologies in the workplace. In current research, she won a grant from the University’s Research and Teaching Development Fund for a preliminary study of ICTs and trade union education. Electronic activism is a new area of enquiry that not only offers challenges to conventional conceptual industrial relations frameworks but also has many equality implications. The focus of the project is online courses and other electronic modes of delivery within the context of activist trade union education.

Legal Regulation of the Employment Relationship

The study of small firms discussed above makes the impact of regulation a central feature. Looking more broadly at employment regulation, Linda Dickens and Mark Hall completed their chapter ‘Labour Law and Industrial Relations: A new
Settlement?’ for the new edition of IRRU’s *Industrial Relations* textbook. In a piece for EIRO, Dickens reflected upon the experience of the Central Arbitration Committee (where she is a Deputy Chair) in operating the new statutory recognition procedure. She notes that the award of recognition to the AEEU in respect of some 4000 employees in the production workforce at Honda in December 2001 almost doubled the number of workers to whom the CAC extended collective bargaining since the procedure began operating in June 2000. Dickens explores some key aspects of the procedure in the context of the 151 applications made to date. She cautions against expecting too much in terms of overall extension of collective bargaining as a direct result of the procedure but argues that the evidence suggests its symbolic and indirect effects, in stimulating voluntary agreements, may be more substantial.

From October 2001, Mark Hall began a new project focusing on the impact in the UK of the EU employee consultation Directive. This involves monitoring the progress of the EU-level and national discussions on strengthened consultation requirements, analysing the implications for UK industrial relations of the Directive and related domestic legislative proposals and, over the longer-term, developing research into the effects of such legislation once it reaches the UK statute book.

An early output from the project will be a joint IRS/IRRU report - *Works councils for the UK? Assessing the impact of the EU employee consultation Directive* - co-authored with Andrea Broughton (IRS), Mark Carley (EIRO) and Keith Sisson and due to be published in early March 2002. In conjunction with the publication of this report, Mark Hall and Andrea Broughton are also organising a major practitioner-oriented conference on the implications of the Directive for UK industrial relations, to be held in London on 8 March 2002. Keith Sisson was a member of the Involvement and Participation Association’s working party on information and consultation, and co-authored the IPA’s report on the subject which was published in July.

During the year, Mark Hall was a contributor to a Prime Minister's Policy Unit seminar reviewing redundancy consultation law, and acted as an advisor to the Department of Trade and Industry on UK implementation of the draft EU Directive on employee consultation.

4 DISSEMINATION

In the field of textbooks, Helen Newell, together with former IRRU colleague Harry Scarbrough, completed the editing of *HRM in Context*. The book appeared early in 2002. The impetus for the book arose out of the need to have a new textbook which reflects the needs of a wide range of personnel and Human Resource Management students. Most texts tend to be based a relatively fixed menu of HRM tasks and functions. The usefulness of this approach is being steadily diminished by the shift away from traditional functional and hierarchical management structures towards process-based or even virtual forms where much of the responsibility for HRM issues is devolved to line management. *HRM in Context* was developed to emphasise the importance of process - the ways in which organisations get things done through people, not just a bundle of techniques. This requires an engagement with current problems and issues, which is provided by the use of in-depth case studies; every chapter except one is written by present or past IRRU members, drawing on their research. The book aims to move away from training would-be personnel or HR
specialists in techniques and towards enabling all managers to understand the HRM implications of the decisions they are required to make every day.

The IRRU web site was developed and improved. It now includes recent Warwick Papers in Industrial Relations, other research and conference papers by members of staff, and links to teaching programmes.\(^1\)

Our seventh annual research Briefing was published during the year. It included articles by Mike Terry on the developing partnership agenda and by Jim Arrowsmith and Mark Hall on combating age discrimination at work. Other articles drew on research summaries included in the 2000 Annual Report, on the subjects of Pacts for Employment and Competitiveness, EMU, and pay and performance in small firms.

As noted above under the research report on European Works Councils, two workshops were organised by the project team, one for participating companies and one for a wider audience. The latter attracted an audience of some 30 leading practitioners, policy-makers, and academics. At the IIRA’s European regional congress, Sisson was a key note speaker and rapporteur for two streams of papers addressing ‘Structural and economic changes affecting industrial relations’; Marginson co-ordinated a stream of papers and workshop on ‘EMU and the Europeanisation of collective bargaining’.

In May, Guglielmo Meardi organised at Warwick an international workshop on industrial relations and EU enlargement. It was attended by colleagues from five continental European countries as well as Warwick colleagues and contributed to developing a research network on this subject. Linda Dickens attended the June 2001 IIRA conference in Oslo in her new capacity as an appointed member of the IIRA Executive Committee and has been invited to organise one the four themes for the IIRA 13\(^{th}\) World Congress to be held in 2003. As outgoing President of the British Universities Industrial Relations Association, Dickens helped organise and chair the 51\(^{st}\) Annual BUIRA Conference held in Manchester in July 2001.

Ardha Danieli and Anne-marie Greene are (with David Collinson) co-organisers of an ESRC-funded workshop on ‘diversity, inequality and identity’. Valeria Pulignano was on the co-ordination committee and organisation board of the International Workshop “Between Sociology of Work and Organisations Studies: the State of the Debate in Italy and United Kingdom”, under the sponsorship of ELO-AIS (Associazione Italiana di Sociologia- Sezione di Sociologia Economica, lavoro e Organizzazione – Italian Sociological Association – Section of Economic Sociology, Labour and Organisation Studies) held at the University of Bologna in November.

5 OTHER DEVELOPMENTS AND ACTIVITIES

As mentioned above, Mike Terry takes over as editor of the Industrial Relations Journal from the start of 2002. As part of the move of the journal to Warwick, the former editor, Brian Towers, will be a visiting fellow, and the journal’s managing editor, Glynis Jones, has an office within IRRU. Anne-marie Greene will be the reviews editor, and other Warwick staff will be playing a role in the development of the journal.

\(^{1}\) See http://users.wbs.Warwick.ac.uk/IRRU.
Linda Dickens continued her work as an ACAS Disputes Arbitrator and Mediator and as a Deputy Chair of the Central Arbitration Committee. This year she was appointed by the States of Guernsey as Chair of an Industrial Disputes Tribunal. Paul Edwards was invited to join the Research Committee of the British Academy. In November, Valeria Pulignano joined the Editorial Board of *Capital and Class*. Keith Sisson was given a special award at the Dutch HRM Group’s Biennial Conference in November, to mark his contribution to the subject.
RESEARCH SUMMARIES

The Impact of EWCs on Management Decision-making

Much of the discussion to date on the impact of European Works Councils on management has focused on the perceived costs and benefits of EWCs for companies. Researchers have paid little systematic attention to the influence of EWCs on management’s decision-making processes and the outcome in terms of the decisions taken.

IRRU’s research, carried out between 1999 and 2001, explored the impact of EWC arrangements by means of comparative case studies in four UK- and four US-based multinational companies. The companies were drawn from three manufacturing sectors: chemicals and pharmaceuticals, engineering, and food and drink. The companies are all household names, but for the purposes of reporting we have adopted the following pseudonyms: GBChem1, GBChem2, GBDrink, GBEng, USChem, USDrink, USEng1 and USEng2.

The case studies involved interviews with key management and employee representatives, examination of relevant documentation and, where possible, observation of EWC and related meetings. A central focus of the research concerned the impact of EWC arrangements on management decision-making at corporate level, including the handling of business decisions involving cross-border restructuring and rationalisation.

In analysing the impact of EWCs on management decision-making, it is useful to distinguish between impact on the process and impact on the outcome.

On process, one type of impact is the establishment of new structures or mechanisms of management co-ordination as a result of the existence of the EWC. A second type of impact stems from the need for new signalling mechanisms which ensure that management in individual businesses alert central management when business decisions of a transnational nature are pending.

The impact of EWCs on the outcome of decision-making can also usefully be further differentiated. The strongest type of impact is where the substance of a management decision is changed as a result of intervention by the EWC. A more limited impact is where the implementation of a transnational business decision is changed as a result of dialogue at the EWC.

Overall, the nature and extent of the impact of the EWCs on management decision-making in the eight companies differs considerably. In one case, GBDrink, a tangible impact on neither the process nor the outcome of management decision-making was discernible. At GBEng, GBChem1 and USDrink, some tangible impact on the process of management decision-making was identified, but not on the outcome of management decisions. At USEng2, whilst no impact on the process of management decision-making was evident, some influence on the implementation of decisions was reported. At GBChem2 and USChem, the EWC has had an identifiable influence on both the process of management decision-making and the implementation of specific management decisions. Finally, at USEng1 the process of management decision-making has been affected and there has been a notable impact on the substance, as well as the implementation, of management decisions.
Six sets of factors are identified (the first three structural and the second three behavioural) which influence the impact of EWCs on management decision-making and which account for the variation observed across the eight companies. They are:

- the focus, spread and integration of the company’s European business activities, or "business alignment";
- the existence and nature of European-level management structures;
- the existence of an "industrial relations platform" through national group-level structures and pre-existing cross-border networks on which the EWC builds;
- management’s approach to the EWC, including its policy towards - and the functions and levels of management routinely involved in - the EWC;
- employee-side organisation and activities; and
- the nature of the interaction between management and the employee-side.

The precise ways in which the six sets of factors identified above operate in shaping EWC impact differ as between process and outcomes. In accounting for the variations in EWCs' impact on outcomes, the six sets of factors appear to operate as a series of critical thresholds in which considerations of structure and behaviour interact. The scope for the actors' behaviour to shape EWC impact is constrained or facilitated by structural factors.

- At a first threshold, whether there is "alignment" in terms of business focus, spread and cross-border integration distinguishes those cases where the EWC has no impact on management decision-making from those where it has some impact.
- Amongst the four companies where the EWC has had some impact, the absence in one of a European-level management structure is crucial in circumscribing that influence. So too is management’s own approach to the EWC. Influence is more circumscribed where management policy is to minimise the role of the EWC. Management structure and management approach together constitute a second threshold.
- Beyond this, differentiating the extent of the influence exercised by the EWC, and whether it extends to changing the substance of decisions, is the strength of the employee-side organisation allied to the presence of a strong industrial relations platform on which the EWC builds. Together these two factors constitute a third threshold. A well organised, strongly networked employee side, with close trade union connections, able to build from robust organisation at national company level in several countries, has the strongest impact.

Finally, the nature of the interaction between management and employee-side appears to reflect progression across the three thresholds, rather than being a determining factor.

Small Firms, Employment Legislation, Business Associations and Public Policy

The study of small firms embraced 81 companies, from the printing, clothing and hotels and catering sectors. The mean number of employees was 30. Its main conclusion was that legislation through the National Minimum Wage and the Working Time Regulations was not sufficiently restrictive to have notable negative effects, but nor was it enough of a ‘shock’ to stimulate more efficient working practices. It emerged during the research, moreover, that there appeared to be an important gap in institutional means to encourage such practices. In Britain, there are few institutions tying firms into networks and linking them to activity at government level. The gap could be filled by local industry-based business associations.
The clothing industry in Coventry is a good example. The sector had been identified, by Coventry City Council in the late 1980s, as a possible element in the economic regeneration of the region. There were in 2000 just over 50 clothing firms in the city employing in total about 1400 people. The sector had earned a reputation for both productive inefficiency and poor working conditions that were presenting major barriers to bringing about change. The Council thus established the Coventry Clothing Centre (CCC) in 1989 to provide a range of services to assist and encourage local clothing companies to modernise and broaden their links with other companies in the local economy. The establishment of the Centre was seen as a valuable asset by all respondents in the study. As one owner put it ‘CCC is the only place to get good advice from’. Another hinted at the benefits of the work of the centre in attempting to regulate the industry: ‘there are too many back-street producers and combined with this too many of the others do not produce or measure their production at the right costing levels’.

In 1998, at the instigation of the City Council, the Centre’s management committee was restructured to reflect a greater diversity of social partners. A formal ‘Clothing Partnership’ was formed through the centre to enable the partners to work together in developing and implementing various projects. The City Council was keen to provide the beginnings of a service that was beneficial to economic development and employment within the city and also matched the growing concerns of the manufacturers. According to the management of the Clothing Centre, the biggest issues at a practical level were improving quality, training and management: attempting to put standards into an industry where they have been lacking and then to raise these standards.

The local Clothing Manufacturers Association also realised the severity of the situation and was eager to find ways of bringing about change within the industry and altering outside perceptions of it. They also realised that regulation was the only means of achieving this in an industry where competition usually took the form of undercutting each other. The key features of regulation revolve around a charter (discussed below) and the benchmarking of quality initiatives.

The charter was launched by CCC in 1998, to lay down minimum standards and workplace conditions. The main aim of the charter is to assist companies to obtain work from high street retailers by ensuring that the companies meet the retailers’ basic operating standards. The charter enables companies to measure their progress against a set of standards and benchmark against other companies in the Coventry area. Companies are audited and then reports are issued identifying areas for improvement. Assistance is also given to the companies to put the improvements in place. As well as housekeeping and quality control matters, the charter covers basic employment conditions and payment systems. Certificates of Compliance are issued to those meeting the standards. By 2001, half the firms in the city had reached the standards of the charter.

The overall effects of the Centre and its partners work are difficult to quantify. Much of their work has been carried out with limited resources. In the past 4 years the Centre estimates that its work has helped to create 20 jobs per annum. More impressively it estimates to have safeguarded between 75 and 100 jobs per annum so that employment levels remained stable. This is a major achievement when compared with the dramatic decline of employment in the industry nationally.
The Centre has worked with a smaller number of companies on a one to one basis to change what they produce and how they do so. In one firm, for example, managerial and employee skills were low. It was working at 50% efficiency, with an employee absence rate of over 20% and a repair rate of above 25%. The company was audited and encouraged to expand into ‘own label’ production. This involved utilising all the services of the Centre to improve the factory layout, quality procedures, skills and training. Contracts of employment were issued for the first time, a disciplinary and grievance procedure was implemented, and communication with employees concerning the changes within the company was improved.

Yet the Centre recognises the constraints on its work. It is small and has few resources, and it has been reliant on a few individuals putting a great deal of time, expertise and work into the projects. Competitive conditions are also difficult. Markets are being lost to competitors in Eastern Europe and Morocco, with the result that firms are squeezed. Production runs in one company have been reduced from 1000 to 300. In this context, thinking about long-term solutions is very difficult.

Partnerships through business associations are thus far from an easy solution. Yet such associations could help to fill an institutional gap. How far it is politically feasible and desirable to support their role is a question worth debating.
Appendix A:
Publications during 2001

Note: This list covers work done within the IRRU programme. In some cases, staff are now at other institutions, but it would be clumsy to indicate this in every case. Names in square brackets are people who are not members of IRRU.
A few publications that appeared since the last annual report are also listed, with dates of publication.

Books and Reports

Journal Articles and Book Chapters


S. Liff [and F. Steward], ‘Communities and Community Technology Centres: Networking for Social Inclusion’ in B. Loader (ed.), *Community Informatics: Community Development through the Use of Information and Communications Technologies*, London: Routledge.


**Warwick Papers in Industrial Relations**


Paul Marginson and Keith Sisson, ‘The Impact of Economic and Monetary Union on Industrial Relations: A Comparative Sector and Company Perspective’ no. 66, November.

Torsten Müller and Aline Hoffmann, ‘EWC Research: A Review of the Literature’, no. 65, April.
Shorter Publications and Working and Discussion Papers


M Hall, ‘ECJ rules on employees’ information rights prior to seeking EWC’, European Works Councils Bulletin 34 (July/August ), 12-14.


G. Meardi, ‘Riflessioni a posteriori sulla natura operaia di Solidarnosc’, I viaggi di Erodoto, 14, 41-2, pp. 159-166.


Conference Papers

J. Arrowsmith, ‘The historical struggle over working time: From labour vanguard to employee flexibility’, Work, Employment and Society conference, University of Nottingham, September.


P. Edwards, ‘“Industrial Relations”: from Apparently Anachronic to Analeptic and Anaclastic Condition’, Workshop on ‘Industrial Relations: an Anachronism?’ University of Tübingen, Germany, June.


M Hall, P Marginson and T Müller ‘The impact of European Works Councils’, Industrial Relations Research Unit seminar, University of Warwick, May.


[G. Kirton and A. M. Greene, ‘Women Learning Online: Overcoming the Gendered Temporal and Spatial Barriers To Women’s Trade Union Participation?’ paper presented to the 17th EGOS (European Group of Organisation Studies) Colloquium, Lyons, July.

S. Liff, ‘Making Opportunities Real – a matter of equality or diversity?’ Managing Diversity, Local Economy Policy Unit, London, June.

S. Liff, ‘Cybercafes: Organisational Innovation or Irrelevance’ Fashioning the Future: Science, Technology and Visions of Progress, Conference of the Society for the Social Study of Science (4S), Boston MA, USA, November.


P. Marginson. ‘The industrial relations implications of Economic and Monetary Union: the findings on the private sector’ European Foundation for the Improvement of Living and Working Conditions Conference on Economic and Monetary Union, Stockholm, October.


P. Marginson and K. Sisson, ‘European dimensions to collective bargaining: new symmetries within an asymmetric process?’ International Industrial Relations Association, 6th European Regional Congress, Oslo, June.

G. Meardi, ‘Did Stalin Provide the Trojan Horse for the Americanisation of Europe? EU Enlargement and Industrial Relations: the Polish Case’ Paper for the Industrial Relations in Europe (IREC) Conference, Madrid, April.

G. Meardi, ‘Ireland, Spain, GDR or Mexico? Scenarios for industrial relations after of the EU enlargement Eastward’, European Conference of the International Industrial Relations Association, Oslo, June.


V. Pulignano, The Multi-Enterprise Factory Outsourcing and Industrial Relations’, paper presented at the School of Labor and Industrial Relations, Cornell University, September.


V. Pulignano, ‘Subcontracting in the Motor Industry in Italy’, paper presented at the CREST seminar, Cardiff School of Social Sciences, University of Cardiff, October.


[S. Sayce, J. Black, P. Ackers] and A. M. Greene, ‘Work identity and changing craft consciousness: The tale of the disaffected weavers (or what happens when the rug is pulled from under your feet)’, paper presented to the 17th EGOS (European Group of Organisation Studies) Colloquium, Lyons, July.


M. Terry ‘The Europeanisation of the British shop steward’, British Universities Industrial Relations Association annual conference, Manchester Metropolitan University, July.

M. Terry ‘Can “Social Partnership” Reverse the Decline of British Trade Unions?’ International Conference on Union Growth, Centre for Industrial Relations, Rotman School of Management, University of Toronto, April-May.

IRRU/UK contributions to European Industrial Relations Observatory, January – December 2001
<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
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<tbody>
<tr>
<td>December 2001</td>
<td>• Employment Bill: analysis of key provisions (M Hall)</td>
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<tr>
<td></td>
<td>• Strike by professional footballers averted (J Arrowsmith)</td>
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<td>• Planned restructuring of DTI angers unions (J Payne)</td>
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<td>November 2001</td>
<td>• Unions review links with ‘new Labour’ (M Terry)</td>
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<td>• Government, trade unions and the reform of public services (D Winchester)</td>
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<td>• Office staff in road transport sector excluded from working time Directive, confirms ECJ (M Hall)*</td>
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<tr>
<td>October 2001</td>
<td>• Scottish plant closes as Motorola makes sweeping cuts (T Edwards)</td>
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<td></td>
<td>• Unions and the internet - prospects for renewal? (A Greene)</td>
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<td>• Strikes: scattered but not eliminated (P Edwards)</td>
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<td></td>
<td>• New Learning and Skills Council faces tough challenges (J Payne)</td>
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<tr>
<td></td>
<td>• Job cuts hit the aviation and aerospace industries (C Lloyd)</td>
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<td></td>
<td>• European Parliament calls for amendments to information and consultation Directive (M Hall)*</td>
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<td>September 2001</td>
<td>• Determining unfair dismissal cases by arbitration (M Hall)</td>
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<td>August 2001</td>
<td>• Trade unions and equality in employment (A McBride)</td>
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<tr>
<td>July 2001</td>
<td>• Government supports steel workers hit by Corus restructuring (J Parker)</td>
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<tr>
<td>June 2001</td>
<td>• Developing high-quality work-based training for young people (J Payne)</td>
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<td>• ECJ rules on employees’ information rights prior to seeking establishment of an EWC (M Hall)*</td>
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<td></td>
<td>• Council of Ministers reaches political agreement on employee consultation Directive (M Hall)*</td>
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<td>May 2001</td>
<td>• Parties' industrial relations policies outlined (M Hall)</td>
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<tr>
<td></td>
<td>• Research highlights limited impact of Working Time Regulations (J Arrowsmith)</td>
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<td>April 2001</td>
<td>• EOC urges new action on equal pay (J Parker)</td>
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<td>• UK to extend rights and labour market support for disabled people (A McBride)</td>
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<td></td>
<td>• Benchmarking and the Europeanisation of industrial relations (K Sisson)*</td>
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<td></td>
<td>• The consequences of corporate restructuring for employees and unions (T Edwards)*</td>
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<td>March 2001</td>
<td>• Unions debate priorities for a second term of Labour government (J Payne)</td>
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<td></td>
<td>• Review body recommendations accepted in full as staff shortages jeopardise public sector modernisation (S Bach)</td>
</tr>
<tr>
<td></td>
<td>• Unions help launch government stakeholder pensions (J Parker)</td>
</tr>
<tr>
<td>February 2001</td>
<td>• Corus announces large-scale redundancies (T Edwards)</td>
</tr>
</tbody>
</table>
• Teleworking in action at Unity Trust Bank (R McIlroy)
• Government calls for better work-life balance (J Arrowsmith)

January 2001
• Green paper on parental leave receives mixed reception (M Hall)
• Government launches review of redundancy consultation laws (M Hall)
• Cross-border comparison leads to shorter working week at UK Peugeot plant (P Marginson)

**EIRO in briefs (Mark Hall):**

December 2001
• Employment Bill published
• CBI conference urges government to resist further employment regulation
• Parents to have legal right to request flexible working

November 2001
• UK reaction to European Parliament’s vote to strengthen employee consultation Directive
• New taskforce to advise on employment tribunal reforms
• CBI and TUC issue joint report on productivity
• Shareholders to have right to vote on directors’ pay

October 2001
• TUC conference curtailed following terrorist attacks in USA
• Government announces changes to working time Regulations
• Employers and unions argue over ‘compensation culture’

September 2001
• New EOC initiatives to combat sexual harassment

August 2001
• UK implementation of fixed-term work Directive delayed
• Controversy over proposed employment tribunal charges

July 2001
• Series of government initiatives follows election
• UK holiday rule unlawful says ECJ
• CBI survey highlights impact of regulation on employers

June 2001
• Government to go ahead with equal pay reforms
• London protest at M&S redundancies highlights consultation issues

May 2001
• More public holidays in prospect
• Teaching unions adopt united stance on 35-hour week
• Unions hail government "climb-down" on parental leave

April 2001
• Merger forms new "super-union"
• Government agrees to significant increase in national minimum wage
• Employers and unions respond to parental leave green paper

March 2001
• Round-up of industrial relations developments
• Advocate-General finds against UK in ECJ working time case

February 2001
• TUC submits evidence on national minimum wage
January 2001 • Government and employers submit evidence on national minimum wage
• Government plans to speed up equal pay cases

Comparative studies:
October 2001 • Working time developments and the quality of work (J Arrowsmith and K Sisson)

UK contribution to annual review:
January 2001 • 2000 annual review for the UK (M Hall)

UK contributions to comparative studies:
November 2001 • Quality of working life and non-permanent employment (P Marginson)
October 2001 • Gender pay equity in EU countries (A McBride)
August 2001 • Working time developments and the quality of work (J Arrowsmith and K Sisson)
July 2001 • Work-related stress and industrial relations (J Arrowsmith)
May 2001 • Collective agreements on progressive retirement (H Newell)
April 2001 • Industrial relations in the ICT sector (J Payne)
February 2001 • Involvement of employees and collective bargaining in company restructuring (C Lloyd)

UK contributions to EIRO annual updates:
January 2001 • Pay developments (James Arrowsmith)
January 2001 • Working time developments (James Arrowsmith)
January 2001 • Gender perspectives (A McBride)

Articles published in EIROObserver:
November/December 2001 • Job cuts hit aviation and aerospace industries (C Lloyd) EIROObserver 6’01, p. 11
July/August 2001 • Political agreement reached on employee consultation Directive (M Hall) EIROObserver 4’01, p. 4*
May/June 2001 • EOC urges new action on equal pay (J Parker) EIROObserver 3’01, pp. 9-10
January/February 2001 • Problems mount for automotive manufacturers in face of increased competitive pressures (J Batchelor) EIROObserver 1’01, pp. 9-10

* submitted on behalf of EIRO’s EU-level national centre (Industrial Relations Services)

Forthcoming Publications


- S. Bach and D. Winchester
- L. Dickens and M Hall;
- E. Keep and [H. Rainbird];
- S. Liff
- P. Marginson and K. Sisson;
- [J. Rubery] and P. Edwards
- M. Terry


P. Edwards, M. Gilman, M. Ram and J. Arrowsmith, ‘Public Policy, the Performance of Firms, and the ‘Missing Middle’: the Case of the Employment Regulations, and a Role for Local Business Networks’, *Policy Studies*.


- P. Edwards and M. Wright
- S. Liff
- H. Newell
- H. Newell and C. Lloyd: 2
- H. Newell [and H. Scarbrough]: 2
- K. Sisson: 2


Appendix B:
IRRU Staff at 1 January 2002

Permanent Teaching and Research Staff
Ardha Danieli
Linda Dickens
Paul Edwards (Director)
Anne-marie Greene
Sonia Liff
Paul Marginson
Guglielmo Meardi
Helen Newell
Valeria Pulignano
Michael Terry
Martyn Wright

Contract Research Staff
James Arrowsmith
John Black
Mark Hall
Jill Smith

SKOPE Staff who are Members of IRRU
Ewart Keep
Caroline Lloyd

Emeritus Professor
Keith Sisson

Clerical and Support Staff
Jane Arrowsmith
Val Jephcott (IRRU secretary)

Associate and Visiting Fellows
Mark Carley (European Industrial Relations Observatory)
Trevor Colling (De Montfort University)
Tony Edwards (Kingston University)
Anthony Ferner (De Montfort University)
John Geary (University College Dublin)
Mark Gilman (University of Kent)
Richard Hyman (LSE)
Helen Rainbird (University College, Northampton)
Robert Taylor (ESRC Future of Work Fellow; formerly of Financial Times)
Brian Towers (former editor, Industrial Relations Journal)
Judy Wajcman (Australian National University)