

Variations in Transnational Employee Voice: social dialogue through European Works Councils

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ABSTRACT

Drawing on a unique international dataset of multinational companies' employment practices, two aspects of variability in social dialogue through European Works Councils (EWCs) are addressed utilising logistic regression analysis. Only four out of every ten multinationals covered by the EU's regulatory measure have actually established an EWC. The degree of internationalisation companies' operations, production and management organisation, and the presence of workforce organisation, are found to exercise strong influence on the incidence of EWCs. Concern has also focused on minimalist management practice towards EWCs. It is shown that this is less likely to be the case where the HR function is internationalised.

Introduction

A key rationale underpinning the 2009 recasting of the 1994 European Works Councils (EWCs) Directive, was to facilitate a marked increase in the proportion of the multinational companies (MNCs) coming under the Directive's scope which have actually established an EWC (Jagodziński, 2009). Fifteen years after the original Directive was adopted, this proportion stood at only four out of every ten of the MNCs covered. Previous studies find variation in the incidence of EWCs according to factors such as the country-of-origin, private or joint stock ownership, sector and employment size of MNCs (e.g. Waddington and Kerckhofs, 2003; Whittall et al., 2008). Yet none has employed multi-variate analysis to establish the relative strength of these influences, a lacuna which the paper addresses by deploying logistic regression analysis.

Amongst those MNCs which have established EWCs, research points to a second dimension of variation: there are considerable differences in the extent and quality of social dialogue taking place within them. The qualitative studies concerned, based on multiple case study designs (Lecher et al, 2001; Marginson et al, 2004), identified marked differences in management practice towards EWCs. These studies aside, management's EWC practice continues to remain rather neglected. Indeed, the situation has changed little since Mueller and Hoffmann (2001)'s review of the then existing research on EWCs. This found that most empirical enquiry and academic debate on EWCs had focused on employee interest representation, and the challenges posed for employee representatives and trade unions. Research on management approaches has largely remained confined to assessing management attitudes towards EWCs, including quantitative surveys of their (potential) benefits and costs (e.g. Nakano, 1999; Wills, 1999; Vitols, 2003). Accumulating evidence from surveys of employee representatives, however, has reinforced the central finding from qualitative research that there is considerable variation in management's information and consultation practice (Waddington, 2003; 2006). Improving management's practice at the minimalist end of the EWC spectrum constituted a second key rationale behind changes introduced into the recast Directive (Jagodziński, 2009). The paper provides a first quantitative analysis, also using logistic regression, of the factors potentially shaping the marked variation in management practice.

In its empirical investigation of these two aspects of variation in transnational social dialogue, the paper draws on findings from a unique international database, compiled from parallel surveys of employment practice in the operations of MNCs in three European countries - Ireland, Spain and the UK. Whereas the degree of internationalisation of operations, production and management organisation, together with workforce organisation, is found to exercise a strong influence on the incidence of EWCs, management's information and consultation practice is shaped above all by internationalisation of the HR function.

1. Variability in the existence of and management practice towards EWCs

a) Existence of EWCs

The provisions of the 1994 (recast 2009) European Works Councils Directive accord primacy to negotiated arrangements between company management and employee representatives in implementing the employee information and consultation requirements it specifies. The Directive further specifies that the process to establish an EWC has to be triggered by employees and their representatives, or by management, and lays down procedural rules to this effect. Implementation of the Directive's provisions in MNCs which fall within its scope is not, therefore, automatic. Of the estimated 2,200+ MNCs which currently meet the employment size thresholds, of at least 1,000 employees within the European Economic

Area¹ (EEA) and 150 or more employees in operations in at least two EEA countries, and are therefore covered by the Directive, 903 are reported to have EWCs (ETUI, 2010). This represents around 40% the total. These 903 EWCs are estimated to involve some 20,000 employee representatives representing an aggregate workforce of more than 15 million in the MNCs concerned. The recast Directive introduces two main changes, which take effect from 2011, intended to boost this proportionate total by facilitating the establishment of further EWCs. MNCs are now required to provide information on the structure of the group, including the subsidiaries owned across the EEA, and the associated level and structure of employment. Lack of transparency on these critical data required by employee representatives had been shown to have inhibited initiation of the formal trigger mechanisms in some MNCs, as well as becoming the subject of European Court of Justice rulings (Whittall et al., 2009). European-level trade union organisations have also, for the first time, been accorded a formal role in the process of negotiations required to establish an EWC, reflecting their widespread de facto involvement in the establishment of existing EWCs (Jagodziński, 2009).

Around the overall figure for the incidence of EWCs, Waddington and Kerckhof's (2003) bi-variate analysis identified variation in the 'strike rate' of EWCs established relative to MNCs covered according to country-of-origin, sector, employment size and degree of internationalisation. Compared to an overall strike rate of 34 per cent at the time, they found German-owned MNCs to be relatively low at 25%, French- and US-owned companies around the average (35% each), and UK-, Japanese, and Swedish-based MNCs comparatively high (40%, 43% and 43% respectively). Between sectors, the strike rate in manufacturing, at 45%, was almost double that in services. The rate increased with employment size, in terms of the total number of employees within MNCs' European operations, and with the degree of internationalisation, defined as the number of European countries in which a multinational had operations.

In considering why the incidence of EWCs might vary, four main types of factor are potentially influential: ownership; demographic (sector, employment size etc); business strategy and management structure (including degree of internationalisation); and workforce organisation. Each is considered in turn. A first dimension of ownership is country-of-origin, where MNCs' propensity to establish EWCs may be shaped by features of their domestic systems for employee representation and consultation. Mandatory structures for employee representation within the enterprise with rights to employee information and consultation are, under either labour law or basic agreements (as in the Nordic countries), familiar to MNCs headquartered in continental western and Nordic European countries, but not to those based in the Anglophone countries or Asia. Accordingly, it might be expected that EWCs would be more widespread amongst the former than the latter. Yet, in MNCs based in continental western Europe, the establishment of an EWC might be seen as superfluous by both management and home-country employee representatives, insofar as there are existing, well-functioning national group-level arrangements in the home country which provide this crucial group of workforce representatives with transnational business information and the opportunity to be consulted on the implications. This has been found to be the case in studies, respectively, of Dutch-, German- and Portuguese-owned MNCs (Blokland and Berentsen, 2003; Whittall et al., 2009; Costa and Arúja, 2008). A second dimension is whether companies are publicly listed or privately owned. In an investigation of German-based MNCs potentially covered by the Directive, but which have not established EWCs, Whittall et al (2008) find a disproportionate number of privately-owned companies. They attribute this to the lack of transparency over the holdings and structure of these companies, and over employee numbers in the operations in different countries – information which is required by employee representatives to successfully initiate the trigger mechanism for

¹ The European Economic Area comprises the 27 member states of the EU plus three further countries – Iceland, Liechtenstein and Norway which implement economic and social policy regulation adopted by the EU.

negotiations to establish an EWC. The transparency issue is addressed by one of the new provisions in the recast Directive, as outlined above.

Turning to demographic factors, sector and employment size are both likely to shape the propensity of MNCs to establish an EWC. The diffusion of EWCs is anticipated to be higher in the manufacturing than service sectors for reasons which in important part derive from differences in business strategy and workforce organisation (see below). To the extent, however, that these phenomena are part of the characteristics framing the conventions which shape management practice within a sector (Hollingsworth et al., 1994), a sector effect might be expected over and above the respective firm-level effects. Manufacturing sectors are more exposed to international competition and production operations across countries are more integrated, than in the service sectors, where competition remains more domestically-bound and operations less internationally integrated. Transnational business decisions which affect the workforce are therefore likely to be more common in manufacturing than services. Trade union organisation has traditionally been stronger, and remains so, in manufacturing than services (Dølvik, 2001); structures for indirect (representative-based) consultation are also more strongly embedded in manufacturing than services. Concerning employment size, larger MNCs are more likely to be internationalised in the scale and nature of their operations; hence the relevance of establishing an EWC is more apparent. Amongst the smaller MNCs without EWCs studied by Berentsen and Blokland (2003), numbers employed outside the Netherlands were small: the added-value that an EWC might bring was not apparent to either the home- or foreign-based workforces. In part, size proxies for the effects of internationalisation. Also, in larger MNCs employees tend to be better organised – by trade unions and through works councils – and are able to access superior resources, better enabling them to press for the establishment of an EWC. The transparency issue (see above) may also be relevant amongst smaller MNCs, with it not being clear to employee representatives whether the multinational meets the Directive's employment size thresholds.

The degree to which the operation, organisation of production and management structure of MNCs is internationalised embraces several dimensions. Along each, the greater the degree of internationalisation, the more cross-border, transnational business decisions are likely to arise, and the more relevant the establishment of an EWC becomes. One indicator of internationalisation comes from the number of countries a MNC operates in (Waddington and Kerckhofs, 2003); another from the spread of employment across operations in different countries. The more even the spread, the less likely are employee representatives from the home, or any given, country to see national arrangements as adequate for securing group-level information and influence, and the stronger the rationale for establishing an EWC (Fetzer, 2008; Marginson et al., 2004). To the extent that production (or service provision) is integrated across borders, establishment of an EWC becomes more relevant as the frequency, and consequences, of cross-border, transnational business decisions will be higher, and greater, than where operations are not internationally integrated. The degree to which products are standardised internationally is also likely to exercise an influence on the EWC compliance rate: where products are standardised and there is greater similarity between operations across borders, management will have a greater interest in avoiding the establishment of local precedents which could have repercussions elsewhere, and local workforces are more likely to see commonalities of interest across borders (Marginson, 1992). Considerations of international management structure are also important: where MNCs are regionally organised, around a European management structure, both management and workforce are more likely to view an EWC as a potentially useful interlocutor than where there is no such structure (Lamers, 1998).

The capacity, and interest, of the workforce to press for the establishment of an EWC will be greater in the presence of trade union organisation and/or works council arrangements. As compared to works councils, company-based trade union organisations are able to draw on the external resources of the union, both national and European, as well as their own

internal (often management-provided) resources (Lecher et al., 2001), and hence is likely to act as the more critical catalysing factor. The absence of union organisation in the overseas' operations of German-owned MNCs, for example, has been identified as an important brake on the formation of EWCs (Whittall et al., 2009).

b) Management practice in EWCs

The EWCs Directive and national legislative measures which implement it leave considerable scope for variation in management practice towards EWCs. The influence of the EU legislation on management practice in EWCs is indirect in two senses. First, it is the agreements which establish EWCs, and not the Directive itself, which frame their functioning and management's practice towards them. Analysis of the contents of these agreements nonetheless finds that the provisions contained in the Directive's default model EWC² have acted as an important benchmark shaping but not determining negotiated outcomes (Gilman and Marginson, 2002). Second, there is widespread evidence that EWC practice deviates from what is formally specified in agreements, variously falling short of the formal provisions or exceeding them (Hall and Marginson, 2005). The potential impact of the changes introduced in 2009's recast Directive, which take effect from 2011, need to be viewed in this light. Two main changes are relevant to management's information and consultation practice. One is a strengthened definition of information and consultation, aimed at ensuring the provision of better quality information in good time and providing employee representatives with the opportunity to make a considered response to management proposals, and receive a response to these. The other introduces a formal right to training in the competencies employee representatives require to undertake their role, potentially prompting changes in management's practice when confronted by better equipped EWC representatives (Jagodziński, 2009).

The extent of the variation in management practice has been empirically demonstrated in multiple case study investigations (Lecher et al., 2001; Marginson et al., 2004), which draw a broad distinction between minimalist and pro-active approaches by management towards EWCs. Under a minimalist approach, driven primarily by considerations of regulatory compliance, management aims to contain or restrict the role of the EWC to a 'symbolic' one, in which it retains strict control of the agenda, information provision is limited to rather general presentations of business performance and prospects – and may even be deficient, there is no consultation and there is little or no contact with employee representatives between annual meetings. Under a pro-active approach, management sees potential for the EWC to play a role in enhancing understanding of, and providing greater legitimacy for, business decisions and their consequences amongst employee representatives and the wider workforce. In these 'active' EWCs, the employee side plays a role in shaping the agenda, information provision is more wide-ranging, comprehensive and timely, there is consultation on some issues (at least), and ongoing liaison between management and employee representatives. Lecher et al (2001) and Marginson et al (2004) additionally find differing degrees of pro-activity on the part of management, with the most extensive practice including systematic alerting of employee representatives to upcoming decisions, and extensive consultation – and even negotiation – over the consequences of, for example, major restructurings.

Survey studies to date have mainly focused on management attitudes towards EWCs (e.g. Nakano, 1999; Vitols, 2003; Wills, 1999), rather than management practice. Nonetheless, findings are consistent with the distinction between minimalist and pro-active approaches. Vitols (2003), for example, surveying managers in 63 European-based MNCs, reports that 30% of respondents regarded their EWC as 'a necessary legal obligation' – likely to translate into a minimalist approach. At the other end of the spectrum, and consistent with a strong degree of proactivity, 19% described their EWCs 'as a responsible partner for co-managing

² The default model can be invoked as a last resort should negotiations result in failure, something which has occurred in less than ten cases since implementation of the Directive in 1996 (ETUI, 2010).

the company'. A lesser degree of proactivity characterised most of the remaining 44%, which regarded the EWC as 'an important mechanism for information, exchange of viewpoints and dialogue within the company'. A similar picture emerges from Waddington's (2003, 2006) surveys of employee representatives' views of management practice, with considerable variation being identified in the scope of EWCs' agenda and in the quality of information and consultation.

What factors might shape variation in management practice towards EWCs? To date, insofar as this has received attention, it is as one amongst a range of influences accounting for variation in the functioning and effectiveness of EWCs. Lecher et al (2001) take an 'actor-centred' approach which underlines the importance of factors such as organizing capacity and effective networking between employee representatives, links between EWCs and trade unions and high trust relations with management, but did not address the orientation of management per se. Marginson et al (2004) pay attention to the influence of a range of structural conditions, as well as including management approach and policy as a relevant 'actor-centred' factor. Amongst the structural factors identified, there is some overlap with those considered above, particularly the degree to which business operations, production and management organisation are internationalised. In addition, internationalisation of the human resource (HR) function and features of workforce national and cross-border organisation were both found to shape the effectiveness of EWCs.

As noted above, the degree to which the operations and management organization of a MNC are internationalized is multi-dimensional. In general the frequency, scale and cross-border consequences of transnational business decisions – and with it management interest in securing workforce understanding of and legitimacy for them – will be greater in more internationalized MNCs than those that are less so. To the extent that these decisions involve cross-border restructurings, management interest in gaining acceptance of, and even legitimacy for, decisions by engaging proactively with the EWC may be heightened (Lecher et al., 2001; Marginson et al., 2004). Accordingly, management will be more likely to adopt a proactive approach where production is integrated across borders and/or where products are more standardized internationally. A proactive approach is also more likely where there is a European regional management structure to which the EWC can act as a counterpart, than where an EWC cuts against the grain of the MNCs international management structure. To the extent that management's approach is influenced by practice elsewhere in the sector, the greater internationalisation of operations and management organization in manufacturing than in services may also be a salient influence.

Internationalisation of operations, production and (general) management organisation has increasingly been underpinned by an international architecture (Waechter et al., 2006) within the HR function. Structures and/or networks including worldwide committee with responsibility for determining HR policy; regular meetings of, and networking between, HR managers in the different country operations; an international HR information system; and systematic mechanisms to monitor and process data on labour costs and performance are a reasonably widespread phenomenon amongst MNCs (Edwards et al., 2007; Lavelle et al., 2009). To the extent that HR policies are standardized and/or coordinated across borders, management is more likely to see the EWC as relevant to facilitating their successful implementation and hence pursue a proactive approach.

The degree of workforce or trade union organization within companies is a further likely influence on management practice towards EWCs, with pressure on management to be proactive being greatest where trade unions are well organised across national borders and able to secure a strong trade union presence amongst, and support for, employee representatives on EWCs. The presence of a national, group-level trade union and/or works councils structures within MNCs' national operations which can act as a platform for coordination across national borders (Hoffmann, 2006) can act as another source or pressure. Conversely, a minimalist approach is more likely in the absence of these dimensions of workforce organization.

Although Lecher et al (2001) did not identify MNCs' country of origin as an influential factor, and Marginson et al's (2004) study was confined to US- and UK-owned MNCs, there is some reason to expect variation according to MNCs' country-of-origin or, more precisely, the kind of industrial relations institutions which characterize 'liberal market' and coordinated' country-of-origin economies, respectively (Hall and Soskice, 2001). As noted above, MNCs-based in the Anglophone countries, particularly those outside of Europe, have little domestic experience of the practice of informing and consulting with employee representatives. Management, whilst wishing to be comply with regulation, may be inclined to contain the role of the EWC and pursue a minimalist approach. In contrast, MNCs based in western continental and Nordic Europe have long been familiar with domestic practice of informing and consulting with employee representatives, and the potential benefits that can be derived, and be more inclined to adopt a pro-active approach. Consistent with this, EWC employee representatives report management's information and consultation practice to be more extensive in MNCs headquartered in continental Europe than in Anglophone countries (Waddington, 2003). The second dimension of ownership identified earlier may also be relevant: under private ownership, general obligations to provide information on the situation and prospects of the business are altogether less than those for publicly-trade companies. As a corollary, a minimalist management approach might be more likely amongst the former.

2. Research design, methods and data

The findings are drawn from three, parallel large-scale surveys of employment practice in the national operations of MNCs undertaken in Ireland, Spain and the UK involving a personal, structured interview with a senior HR executive in each of 260, 330 and 302 MNCs in the three respective countries. The design and implementation of the surveys was undertaken on an internationally coordinated basis, involving close cooperation - which is ongoing - between the research teams in each country. Each employed common criteria for defining the eligible population of MNCs, similar approaches to compiling a population listing for each country, face-to-face structured interviews and a common core of questions around four main areas of employment practice. The subsequent coding of the data has been undertaken in such a way as to enable the integration of national datasets for the purposes of cross-national analysis. A detailed account of the design and methods of the three surveys is provided in McDonnell et al, 2007 (Ireland), Quintanilla et al, 2008 (Spain) and Edwards et al, 2007 (UK).

The surveys covered the operations of both foreign- and home-owned MNCs with 500 or more employees worldwide in the three countries. Foreign-owned MNCs also had to have at least 100 employees in the national operation in the country being surveyed, whilst home-owned MNCs had to have an operation employing at least 100 in at least one other country. As there are no publically available listings of MNCs in the countries concerned, each survey was based on a listing of the population compiled by the respective research teams, using multiple listings of MNC subsidiaries published in business registers and other sources, and intensively checking and cross-checking these.

The fieldwork for the Irish survey was undertaken in part by a professional survey agency, contracted by the research team, and in part by the researchers themselves; that for the Spanish survey was undertaken entirely by the researchers themselves; whilst that for the UK survey was wholly undertaken by a professional survey agency, contracted by the research team. There are some differences in the timing of fieldwork, with the UK survey being in the field from late 2005 until summer 2006, the Irish survey from spring 2006 until early 2007 and the Spanish survey from summer 2006 until the start of 2009³. Interviews were successfully completed with a senior HR executive in the Irish operations of 260 MNCs (average duration of 50 minutes); in the Spanish operations of 330 MNCs (average duration

³ A dummy variable to control for differences in the timing of interviews is in the process of being constructed.

of 75 minutes); and in the UK operations of 302 MNCs (average duration of around 70 minutes). Response rates varied. The response rate in Ireland is 50% of the identified population of MNCs meeting the size criteria⁴. In Spain it is 30%. For the UK, the achieved sample of 302 is estimated to represent 18% of the eligible population (Edwards et al., 2007). In each country, robust checks for non-response bias were undertaken against known parameters in the population listing. For Ireland, the surveyed sample was broadly representative of the population. In Spain, larger MNCs and those in the services sector are overrepresented in the achieved sample, and weights have been constructed to adjust the findings for this. For the UK, service-sector MNCs were found to be slightly under-represented in the achieved sample as compared to manufacturing MNCs and the findings have been weighted to adjust for this.

The international dataset on which the paper's analysis is based integrates a subset of comparable variables exported from the three national data sets⁵. Two types of comparable variables are involved: identical measures, where the same or very similar questions were asked in each national survey; and functionally equivalent measures, where because of differences in institutions and legal framework, phenomena – and therefore measures – are not identical. An example of the second type of variable is union presence, where the Irish and UK practice of union recognition does not exist in Spain, where it used to compulsory in practice. In Spain, workforces have the right to trigger a legal form of employee representation at work, which is usually union-based although it need not be. The measure of union presence employed below is based, respectively, on the practice of union recognition in Ireland and the UK and the existence of a legally-based structure of employee representation in Spain.

Employee representation and consultation arrangements was one of four areas of employment practice addressed in each survey, and this included common questions on the existence of an EWC and, where such existed, management's information and consultation practice. Concerning the existence of an EWC, respondents were asked:

'Is there a European Works Council or similar European-level employee information and consultation structure which covers the [Irish/Spanish/UK] operations?'

If there was an EWC, respondents were then asked about management's information and consultation practice. The question aims to capture the distinction between 'symbolic' and 'active' EWCs, and different degrees of 'active' (Lecher et al., 2001; Marginson et al., 2004):

'Using this [1 to 5] rating scale, which of the following statements best describes the overall nature of the EWC ...

1. Management provides minimal information required for compliance, there is little or no dialogue with employee representatives over issues; and no impact on decision outcomes
2. Management provides information slightly beyond that required for compliance ...
3. Management provides information somewhat beyond that required for compliance; there is a substantive dialogue with employee representatives on a limited range of issues; and a limited impact on decision outcomes
4. Management provides information beyond that required for compliance ...
5. Management provides information considerably beyond that required for compliance; there is substantive dialogue with employee representatives over a wide range of issues; and an extensive impact on decisions outcomes

Although the measures are common, the institutional context of employee representation and consultation differs in salient respects between the three countries, with the larger difference being between Spain on the one hand and Ireland and the UK on the other. Spain's employee representation arrangements are dual-channel in character and embody a

⁴ The Irish sample was stratified, and the response rate is 63% when taking this into account.

⁵ The international dataset also includes data from a fourth survey undertaken in Canada.

universal right to representation within the enterprise. There is both trade union organisation and representation for the purposes of collective bargaining and the right to trigger a legal form of employee representation within enterprises, as noted above, which have rights to information and consultation conferred on them. Employee representation within enterprises is widespread, as reflected in the 82% of the MNCs surveyed in Spain which reported their presence. In contrast, employee representation arrangements in Ireland and the UK have, until recently, been single-channel in nature, based on trade union recognition for collective bargaining. In both countries, changes around 2000 saw the introduction of a compulsory element to the previously voluntary recognition process, somewhat more pronounced in the UK than Ireland (Gall, 2010). More radically, the impact of the EU's 2002 National Information and Consultation of Employees Directive has introduced the principle of a statutory, universal entitlement for employees to representation for the purposes of information and consultation within enterprises, although the impact on extending the coverage of representation arrangements would – so far – appear to be limited (Hall et al., 2010). As between Ireland and the UK, the respective surveys find union presence (i.e. recognition) amongst MNCs to be rather higher, at 61%, in the former than the latter, at 47%, perhaps reflecting the more favourable climate towards unions brought by Ireland's national partnership arrangements and series of national pay accords between 1987 and 2009.

The implications of these differences for the incidence of EWCs focus on the role of union presence in MNC operations in facilitating their establishment (Whittall et al., 2009). An additional, and more indirect, effect might operate through the impact of national systems of employee representation and consultation on the incidence of EWCs amongst home-based MNCs. Insofar as Spanish trade union and other workforce employee representatives already have de facto access to group-wide information, and maybe consulted over group-wide decisions, in home-based MNCs as a result of long-established, mandatory consultation arrangements, they might perceive less 'added value' to derive from setting up an EWC than their Irish and British counterparts, where there is no such established, legally-backed practice (Blokland and Berentsen, 2003; Whittall et al. 2009). Figures from the ETUI's database for 2006, the most recent for which a breakdown is available, seem to bear this out in terms of the contrast in EWC incidence for Spain and the UK, although not for Ireland. The proportion of Spanish-based MNCs with an EWC was 15%⁶, as compared to 42% for their UK counterparts (Kerckhofs, 2006). The figure for Irish-based MNCs, however, was only 20%, and is probably a reflection of their comparatively smaller employment size.

As for management practice, greater familiarity with the process and practice of representative-based employee information and consultation is likely to increase the preparedness of management to fully engage with employee representatives through provision of extensive, relevant and timely information and meaningful consultation. Marginson et al. (2004) found, for example, a sharp difference between the reticence and caution of British managers in UK-owned MNCs, unfamiliar with the processes and practice involved, to fully engage with their EWCs and the approach of continental European managers, for whom employee information and consultation was a familiar element of business practice, in US-owned MNCs. In this respect, managers based in Spain – because they are more familiar with the practice of employee information and consultation - might be expected to differ from their Irish and British counterparts.

Section 2 identified a range of influences likely to shape the existence of an EWC, and management practice towards it, and the surveys include data items on most of these. These influences concerned ownership; demographic factors; business strategy and management structure; the presence of international HR structures; and union organisation.

Ownership: The *country of origin* of each MNC was identified, defined as the country in which the operational headquarters of the worldwide company was located. The cell sizes

⁶ The orientation of Spanish-based MNCs foreign operations towards Latin America has also dampened interest in establishing EWCs (Köhler and González Begega, 2009).

required to undertake viable analysis necessitate the grouping of many individual countries of origin into larger geographical clusters. Section's 2 discussion suggests the relevance of six to the present analysis: continental western Europe, Nordic Europe, Anglo-Irish, north America, east Asia (including Japan), and a residual 'rest of the world'. In addition, *home country*-owned MNCs can be differentiated from *foreign*-owned companies. Respondents were also asked whether the MNC was a *publicly traded* company or *privately owned*.

Demographic factors: The broad industrial sector of operation of MNCs was identified, distinguishing between primary, secondary (manufacturing), tertiary (services) and utilities and construction. To enable viable analysis, the first, third and fourth categories were combined into production (sector). The *worldwide employment size* of the MNC was established.

Business strategy and management structure: A measure of *employment dispersion* across different global regions – to indicate degree of internationalisation - resulted in relatively large numbers of missing values (Spanish and UK surveys) or was not asked of home-owned companies (Irish survey). Measures of the extent of *international integration* – whether MNC operations supply and/or are supplied by company operations in other countries – and *product standardisation* are, however, available. Respondents were asked whether there was a *regional ie European management structure* between the national operations and global headquarters. A measure of transnational business decisions which impinge strongly on workforce interests would be the occurrence of restructuring decisions with significant employment consequences which effect sites in more than one country. However, only a rough proxy of this is available, namely the occurrence of any *site closures* in the country of operation.

International HR structures: Respondents were asked whether there was a committee of senior executives at headquarters level which formulated HR policies to be implemented in the different national operations (*international HR committee*)⁷.

Union organisation: No common measure of the extent to which unions coordinate, or are networked, across borders within MNCs was obtained in the surveys. The presence of a recognised union (Ireland and the UK) or legally-based employee representation (Spain) within the respective national operations is therefore the best approximate measure available of union organisation⁸.

The categorisation and mean values of these variables for the two sets of regression analysis, reported in the next section, are show in Table 1.

Table 1: Mean Values for Independent Variables in the Two Sets of Regression Analysis

Variable name	Mean value (A)	Mean value (B)
<i>Country of Origin</i>		
Rest of the world [reference]	.024	---
Rest of the world / E Asia [reference]	---	.058
Continental Europe	.354	.364
Nordic Europe	.044	.082
Ireland and UK	.170	.139
North America	.366	.357

⁷ Respondents were also asked whether HR managers from the different countries were brought together regularly, through meetings or in other ways. The two measures are correlated, and since filtering in the Spanish and UK surveys resulted in this question not being asked in a minority of cases, the international HR committee measure is preferred.

⁸ The question was asked in respect of all employees in the Irish and Spanish surveys, and of the largest occupational group in the UK survey. Analysis of the Canadian survey, which asked about union certification practice in respect of both these groups found that the incidence of certification amongst all employees was 5% higher than for the largest occupational group. No consistent pattern was apparent amongst the deviating cases.

East Asia	.041	---
<i>Ownership</i>		
Privately-owned [reference]	.436	.391
Publicly traded	.564	.609
<i>Sector</i>		
Services [reference]	.482	.408
Production	.518	.592
<i>Worldwide employment</i>		
500-999	.053	---
1000-4999 [reference]	.238	---
5000-29999	.365	---
30000+	.383	---
<i>International linkages</i>		
None [reference]	.226	.180
Supplied by operations in other countries	.167	.184
Supplies to operations in other countries	.114	.075
Both	.492	.561
<i>Product strategy</i>		
Adapted to national markets [reference]	.263	.262
Globally/regionally standardised	.737	.738
<i>European management structure</i>		
Yes	.769	.861
No [reference]	.231	.139
<i>Site closures in host country</i>		
Yes	---	.463
No [reference]	---	.537
<i>International HR policy committee</i>		
Yes	---	.735
No [reference]	---	.265
<i>Union presence in host country</i>		
Yes	.650	.813
No [reference]	.350	.187
<i>Host country</i>		
Spain [reference]	.379	.418
Ireland	.298	.316
UK	.323	.265
<i>Home-owned MNC</i>		
Yes	---	.085
No [reference]	---	.915
N	778	294

Note: the two sets of regressions relate to different bases, to which the two columns refer

- Column (A) presence of a European Works Councils (base: all companies)
- Column (B) management practice towards European Works Councils (base: companies with EWCs)

N in each column is reduced because of missing values for some variables

The above questions about EWC existence and management practice towards them constitute the dependent variables for the multivariate regression analysis reported in the next section. In undertaking the regression analysis, two possible approaches were considered. The first, utilised in the small number of cross-national analyses of data from workplace surveys of employment relations (including, variously, Australia's AWIRS, Britain's WERS, France's REPOSE, and Germany's IAB panel survey e.g. Whitfield et al., 1994; Coutrot, 1998; Schnabel et al., 2006), is to run parallel regressions for each national data and test for differences in the overall significance of regressions, the intercept and the coefficients. The second, utilised in analysis of the coordinated country surveys undertaken for the international study of the globalisation of service work (Batt et al., 2009), is to run a single regression for the integrated data set, and include a dummy variable for survey

country, which picks up any differences in local institutional and legal environment. The second approach is preferred here given the nature of EWCs as transnational employment relations structures, and the near identical nature of all but one of the right-hand side variables (the exception is the measure of union presence)⁹. The second approach also serves to maximize the size of the available sample (a particular consideration for management’s EWC practice, since only a minority of MNCs report EWCs).

3. Findings

a) Existence of EWCs

Table 2 shows that EWCs were present in 46% of MNCs with operations in Spain, 39% of those with operations in Ireland and 28% of those with operations in the UK. Amongst the MNCs with no EWC, a minority anticipated one being established in the two years following the survey fieldwork: 7% in Spain and 14% and 13% in Ireland and the UK, respectively. In Spain and in Ireland there is a marked difference between home- and foreign-owned MNCs, consistent with the ETUI figures reported above. The contrast in EWC incidence between home-owned Spanish and British MNCs is also consistent with the argument that home-based employee representatives may see less added value deriving from establishing an EWC in countries with established domestic arrangements for employee information and consultation, than in those without (see above).

Table 2: Incidence of EWCs

Is there an EWC covering the national operations?	ES %			IE %			UK %		
	All	Home-owned	Foreign-owned	All	Home-owned	Foreign-owned	All	Home-owned	Foreign-owned
Yes	40	7	47	39	17	43	28	25	29
No	59	93	51	59	83	53	72	75	71
Don't Know	1	-	1	3	-	4	-	-	-
Total	100	100	100	100	100	100	100	100	100
No. of cases	330	83	247	260	47	213	302	44	258

Note: ES and UK findings are weighted (see previous section)

For the regression analysis, the existence of an EWC becomes a binary dependent variable, hence logistic regression was utilised. The independent variables were introduced into the regression analysis in the four clusters presented in section 2: ownership, demographic factors, business strategy and structure; and union organisation. A control variable for host country was also included in each regression.

Table 3 summarises findings of the four resulting regressions. Only variables with a significant coefficient in at least one regression are indicated. The detailed regression results are given in Appendix Table A1. The model and step chi-squared statistics indicate that each regression attains significance at the 1% level, and that the introduction of each successive group of variables significantly adds to the overall explanatory power (at the 1% level for (B) and (D) and at the 5% level for (C)).

⁹ Pooling the integrated data set in a single regression does, however, raise the possibility of constrained variation arising out of the inclusion of observations on international phenomena from the same MNC whose national operations feature in more than one of the national data sets. In any such cases, setting aside any measurement error, observations should be invariant across the different national operations. As a result, the true variance amongst the sample will be underestimated. Steps to address the issue are in preparation.

Table 3: Determinants of the incidence of EWCs – summary of regression results

Variable [reference category]	(A)	(B)	(C)	(D)
<i>Ownership</i>				
Nordic [rest of the world]	+***	+***	+***	+***
Publicly listed [privately owned]	+***	n.s.	n.s.	n.s.
<i>Demographic</i>				
Production [services]		+***	+***	+***
5000-29999 employees [1000-4999]		+***	+***	+***
30000+ employees [1000-4999]		+***	+***	+***
<i>Business strategy and structure</i>				
Integration: supplies to & supplied from other countries [neither]			+**	+**
European management structure [none]			+***	+***
<i>Union organisation</i>				
Union presence in host country [none]				+***
<i>Host country</i>				
UK [Spain]	-***	-*	-**	n.s.
Model chi-squared	48.1***	229.5***	244.6***	268.7***
Step chi-squared	---	181.4***	15.2**	24.1***
Nagelkerke R ²	.082	.349	.368	.399
N	778	778	778	778

Note: + indicates higher, and – indicates lower, incidence than reference category
 ***, **, * indicate significance at the 1%, 5% and 10% levels respectively

Two main changes are noticeable in Table 3 as successive groups of variables are introduced. The first is that the impact of being publicly-listed becomes insignificant with the introduction of demographic factors, an effect which arises from the introduction of worldwide employment size. The implication is that privately-owned MNCs tend to be smaller than publicly listed ones, and that once size is controlled for then there is no significant difference according to this. The second is that a seeming lower incidence of EWCs amongst MNCs with operations in the UK disappears only once the final variable, union presence, is introduced. The implication is that a distinctive feature of MNCs in the UK is also a comparatively lower level of union presence.

Otherwise the significance of the effects of several variables is consistent across regressions. MNCs headquartered in the Nordic countries are significantly more likely to have an EWC than those based in the rest of the world. Taking regression (D), the odds are over 20 times greater (coefficients represent the log of the odds ratio). There are no other significant differences according to country of origin: and the magnitude of coefficients for north American- and east Asian-based MNC does not differ greatly from those for MNCs based in continental and Anglo-Saxon Europe. MNCs in the production sectors are significantly more likely to have an EWC than those in services, with the odds being almost two times greater. Larger MNCs by worldwide employment size are also significantly more likely to have EWCs than smaller ones. Of the strategy and structure variables, international integration involving the MNCs operations both supplying to, and being supplied by,

operations in other countries, and the presence of a European management structure both have significant effects. In both cases, the magnitude of the odds is some two times greater. The influence of union organisation is clear: where unions are recognised in the operations in the host country, there is significantly more likely to be an EWC – the odds being almost three times greater¹⁰.

Overall, the regressions, and (D) in particular, provide strong support for the expectations developed in section 2 about the factors influencing the incidence of EWCs.

b) Management practice in EWCs

Table 4 reports the respondents assessments of management’s information and consultation practice towards the EWC. The proportion responding that management’s approach is minimalist, or close to this – as represented by the first two rows – varies across the three countries, accounting for 17% of MNCs with operations in Spain, and 31% and 30% of those with operations in Ireland and the UK, respectively. Conversely, the proportion where management’s approach is clearly pro-active – as represented by the fourth and fifth rows – totals 39% and 33% amongst MNCs with operations in Spain and Ireland, respectively, but only 15% amongst MNCs with UK operations. In home-owned MNCs, EWCs will be serviced by headquarters management, meaning that respondents in are likely to be ‘closer’ to the EWC than those in foreign-owned MNCs. Distinguishing between these two groups, Table 4 further shows that, in each case, responses in home-owned MNCs tend more towards the minimalist end of the spectrum than those in foreign-owned MNCs.

The Spanish and UK surveys also asked whether a manager from the national operations (Spain) or the respondent (UK) attends meetings of the EWC, and if not whether managers in national operations were systematically informed about EWC meetings and activity. Amongst the Spanish operations covered by an EWC, almost half (48%) reported that a manager regularly attended EWC meetings, and a further 4% attended on occasion. Thirty-five per cent of respondents in the UK operations covered by an EWC regularly attended EWC meetings, and a further 11% attended on occasion. Where managers did not attend the EWC, national managers were systematically informed about EWC business at the time of meetings in two-thirds of cases in both Spain and the UK. Of the remaining third, most were informed on an ‘as necessary basis’ although 10% in both surveys received no information, revealing a degree of detachment between the EWC and MNCs’ national operations in a minority of cases.

Table 4: Management’s EWC practice

	ES %			IE %			UK %		
	All	Home-owned	Foreign-owned	All	Home-owned	Foreign-owned	All	Home-owned	Foreign-owned
Management provides minimal information ...	12	12	12	11	50	8	16	9	17
Management provides information slightly beyond ...	5	11	5	20	-	22	14	27	11
Management provides information somewhat beyond ...	37	65	36	34	6	35	56	55	56
Management provides information beyond ...	13	-	14	26	4	27	7	9	7
Management	26	12	26	7	14	7	8	-	10

¹⁰ The coefficient on the union variable, which as indicated above comprises a functionally equivalent measure for the three countries, in parallel regressions for each country not reported here was positive and significant in all three.

provides information considerably beyond ...									
D/K	7	-	7	2	-	2	-	-	-
Total	100	100	100	100	100	100	100	100	100
No. of cases	137	8	129	100	8	92	84	11	73

Note: ES and UK findings are weighted (see previous section)

The management practice measure (Table 4) is ordinal in nature, and the ordered logit method was used in the regression analysis reported below. The top two and bottom two categories in Table 4 were combined to form a three category dependent variable. Unlike the original five category variable, this three-way version conformed with the assumption of parallel lines which ordinal logit entails¹¹. The independent variables were introduced in three blocks following the sequence of section 2's discussion: business strategy and structure, and also sector; international HR structures and union organisation; and ownership. Control variables for host country and for home-country ownership were also included in each regression. Table 5 summarises the findings of the three resulting regressions. Where more than one variable is entered in a group, only those with a significant coefficient in at least one regression are indicated. Regressions including worldwide employment size were also run, but since its inclusion further reduced the overall N and did not add to overall explanatory power these are not reported. The detailed results are given in Appendix Table A2.

The model chi-squared statistics indicate that the regression (A) indicate that all three regressions are significant at the 1% level. The introduction of the HR and union organisation variables significantly adds to the overall explanatory power at the second step¹². Inclusion of ownership variables in the final step does not, however, further do so. The main change noticeable as further blocks of variables are introduced is that the effect of a regional management structure becomes insignificant at the second step. International HR structures are strongly associated with the presence of a regional management structure, and the presence of the latter is subsumed once the former is included.

Focusing on regression (C), the business strategy and structure variables do not affect management practice in the ways anticipated in section 2, whereas the presence of an international HR structure does. As well as the presence of a European management structure, the influence of the degree of international integration (linkages) is not significant. The effect of product standardisation is opposite to that expected, with information and consultation practice being more extensive where products are locally adapted. The negative impact of site closures is also contrary to that anticipated, a finding which might be interpreted in two ways. One is that since they may be local only in the scope of the restructuring they entail, closures in the host country are not a good proxy for transnational business restructuring. The other is that rather than prompting management to be more inclined towards extensive information and consultation practice, circumstances of retrenchment actually prompt it to be less so.

Where there is an international HR committee, management's information and consultation practice is significantly more extensive. The odds of management practice being proactive (highest category) rather than median (middle category), or of it being median rather than minimalist (lowest category), are more than twice in the presence of an international HR committee than without one. The effect of union presence in the host country on

¹¹ Regressions using the five categories in Table 4 as the dependent variable failed the parallel lines test. Reducing the number of categories is recommended as a standard procedure to address the problem; see <http://faculty.chass.ncsu.edu/garson/PA765/ordinalreg.htm>.

¹² In regressions not reported, when union organisation was added in a separated step after the introduction of international HR structures, overall explanatory power did not improve.

management practice is not significant. Whilst unionisation in MNCs operations has an important impact on the establishment of EWCs, it is probably the presence of effective cross-border union organisation which is likely to shape management practice (see section 2), and no such measure was available.

Although the inclusion of the ownership variables does not increase overall explanatory power, information and consultation practice is significantly more extensive amongst Nordic-based MNCs than those based in east Asia / the rest of the world. A similar effect is not, however, apparent for MNCs based in continental western Europe.

Table 5: Determinants of management's EWC practice – summary of regression results

Variable [reference category]	(A)	(B)	(C)
<i>Business strategy and structure</i>			
Integration: supplies to & supplied from other countries [neither]	n.s.	n.s.	n.s.
Product standardisation [locally different]	_ ^{**}	_ ^{**}	_ [*]
European management structure [none]	+ [*]	n.s.	n.s.
Site closures in host country [none]	_ ^{**}	_ ^{**}	_ ^{**}
<i>Demographic</i>			
Production [Services]	n.s.	n.s.	n.s.
<i>International HR structures</i>			
International HR committee [none]		+ ^{***}	+ ^{***}
<i>Union organisation</i>			
Union presence in host country [none]		n.s.	n.s.
<i>Ownership</i>			
Nordic [E Asia / RoW]			+ ^{**}
Publicly listed [privately owned]			n.s.
<i>Controls</i>			
Host – Ireland [Spain]	_ [*]	_ [*]	_ [*]
Host – UK [Spain]	_ ^{***}	_ ^{***}	_ ^{***}
Home-owned	n.s.	n.s.	n.s.
Model chi-squared	25.13 ^{***}	34.30 ^{***}	41.98 ^{***}
Step chi-squared	---	9.17 ^{**}	7.68
Nagelkerke R ²	.093	.125	.151
N	294	294	294

Note: + indicates higher, and – indicates lower, incidence than reference category
^{***}, ^{**}, ^{*} indicate significance at the 1%, 5% and 10% levels respectively

Finally, whilst the effects of home-country ownership are consistently insignificant, host country acts as a significant influence on management practice: respondents in MNCs' Irish and UK operations are significantly less likely to report extensive information and consultation practice than those in companies' Spanish operations. As suggested earlier, this is consistent with a relative lack of familiarity of managers in Ireland and the UK, as

compared to their Spanish counterparts, with mandatory arrangements for employee information and consultation in their domestic industrial relations systems.

Overall, the regressions provide only mixed support for the expectations developed in section 2 about the factors shaping management's practice towards EWCs. They suggest that management's EWC practice is most clearly shaped by whether MNCs have international HR structures.

4. Discussion and Conclusions

Drawing on a unique international dataset, our multivariate analysis of the incidence of EWCs and management practice towards them confirms the variable nature of the transnational social dialogue which has resulted from implementation of the EU's Directive. The structural influences on which the analysis has focused give stronger purchase in accounting for variation in EWC incidence than in management's information and consultation practice. The implications for new provisions in the recast 2009 Directive, aimed at boosting the establishment of further EWC amongst MNCs and improving the quality of information and consultation, and hence of management practice, are returned to below.

The findings from the logistic regressions on the incidence of EWCs clarify the relative strength of the various influences identified in previous studies relying on bivariate analysis (Waddington and Kerckhofs, 2003; Whittall et al., 2008). Ownership has been found to be rather less prominent than previously supposed. Of the two contrasting influences of country of origin on the incidence of EWCs identified earlier, there is some support for the contention that EWCs will be more prevalent amongst MNCs based in countries with mandatory, long-established domestic arrangements for representative-based employee information and consultation than in those where this is not the case. Crucially, Nordic-based MNCs are markedly more likely to have an EWC, although this is not so for multinationals headquartered in the continental western Europe countries where such arrangements also feature. Conversely, the proposition that the existence of superior rights at national level in such countries might have the effect of rendering the establishment of EWCs superfluous in the eyes of home-country employee representatives, who play a key role in the establishment process, does not receive support. Contrary to previous findings (Whittall et al., 2008), there is no difference in EWC incidence between privately-owned and publicly-traded MNCs once other factors – employment size in particular - are controlled for. Lack of transparency about structure and employment numbers, an issue addressed by the recast Directive, would seem to be no more of an impediment to EWC establishment in privately-owned firms than in their stock exchange listed counterparts.

The influence of demographic factors is, however, confirmed: production MNCs, which were overwhelmingly in the manufacturing sector, are markedly more likely than their service sector counterparts to have an EWC. The significance of sector even when measures of business strategy and structure, and also workforce organisation, are included confirms that sector effects amount to more than second order effects of other variables, and reflect the influence of sector-specific 'social systems' (Hollingsworth et al., 1994). The prevalence of EWCs increases with worldwide employment size. The recast Directive's measure to increase transparency for employee representatives over the structure and employment size (and distribution) of MNCs which are potentially covered is salient here, as it is amongst smaller-sized multinationals close to the size thresholds where there is likely to be uncertainty over eligibility. Even so, to the extent that the lower incidence of EWCs amongst smaller-sized MNCs reflects reservations about the added-value they might bring, given low intensity of transnational business decisions, rather than problems of transparency, implementation of the change may turn out to be limited in its effect.

Internationalisation of operations, production and management organisation is also confirmed as an important influence: specifically, internationally integrated MNCs are more

likely to have an EWC than those which are not, and EWCs are more likely to be found where the MNC has a European management structure, which can act as an effective interlocutor. The higher the volume and complexity of transnational business decisions, the more relevant an EWC becomes to both management and workforce representatives (Marginson et al., 2004).

Even though the measure of workforce organisation was single-country based, its influence is clear. Union presence in host country operations is positively and strongly associated with the existence of an EWC. Moreover, this effect was apparent in each of the three countries despite the very different legal and institutional environment in Spain, as compared to Ireland and the UK. The provision in the recast EWCs Directive which accords a formal role to European-level trade union organisations in the process of establishing EWCs whilst likely to prove helpful, does not (and probably can not) directly address the central implication of the finding. This is that organising initiatives to increase the coverage of union presence within the operations of MNCs in individual EEA countries are highly relevant to increasing the incidence of EWCs.

It is internationalisation of the organisation of the HR function which exercises strong influence on management's information and consultation practice, and not the degree to which operations, production and management organisation are internationalised more generally. In part, the effect of the latter is subsumed by the inclusion of internationalised HR arrangements into the regression analysis. Translated into the terms of Purcell and Ahlstrand's (1994) upstream-downstream continuum for analysing strategic decision making, whereas the presence of transnational employment relations structures (EWCs) is shaped by upstream decisions concerning the nature and organisation of business and overall management structures, management policy towards transnational employee information and consultation is shaped by more downstream decisions on the organisation of the specific management function. The finding is consistent with Hayden's (2007) analysis of restructuring in multinationals, which applied Purcell and Ahlstrand's framework. The workforce organisation variable, union presence in host country operations, did not emerge as a salient influence, but was probably an inadequate proxy for the cross-border union organisation which qualitative studies have shown to push management towards more extensive information and consultation practice.

Three further findings on management practice call for comment. First, the finding on site closures – albeit that occurrence of these in a single country is a less than satisfactory indicator of the cross-border restructuring decisions with significant employment consequences widely regarded as a litmus test for management's EWC practice (Hall and Marginson, 2005) – is at least suggestive that more extensive information and consultation practice might be more apparent in good times than bad. Second, Nordic-based MNCs are distinctive in their more extensive management practice, as well as in the relatively high incidence of EWCs. The reasons for this distinctiveness could be structural and/or cultural (Hayden, 2007). In terms of structure, as MNCs headquartered in relatively small economies, they tend to be more internationally dispersed in their operations. The extent to which this dispersion has extended to headquarters operations and particular functions, including R&D, has also gone further in Nordic multinationals than those based elsewhere. Culturally, it is well established that management's employment relations style in Nordic-based companies is internationally distinctive. Third, the significant difference in management practice according to whether the MNC operations surveyed were located in Spain or in Ireland or the UK may stem from the greater familiarity of managers in Spain than their Anglo-Irish counterparts with mandatory, representative-based workforce structures for employee information and consultation. Alternatively, interpretations of the practice of a common transnational structure may themselves be variable because of nationally-framed conceptions of the spectrum of information and consultation practice open to management.

The implications for the recast Directive's ambition to improve management's EWC practice at the minimalist end of the spectrum are two-fold. The survey findings confirm that in a significant minority of EWCs management does indeed engage in little more than the minimum perceived to ensure compliance. The impact of the recast Directive itself, however, will be 'slow burn' in nature, even though agreements establishing new EWCs, and revision of those governing existing arrangements, may respond to the changes made as negotiators benchmark against the new provisions. Experience to date shows that actual practice will be conditioned more by the firm- (and sector-) specific factors on which this analysis has focused than by the contents of agreements. In particular, the findings suggest that to the extent that an international architecture of HR becomes more widely diffused, and more elaborated, the problem of minimalist management practice may be ameliorated.

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<i>structure [No]</i>								
Yes					1.843	.612*** (.233)	2.004	.695*** (.239)
<i>Union presence [No]</i>								
Yes							2.920	1.072*** (.224)
<i>Host country [Spain]</i>								
Ireland	.918	-.085 (.204)	1.143	.133 (.231)	1.071	.069 (.240)	1.391	.330 (.251)
UK	.491	-.711*** (.207)	.636	-.452* (.233)	.555	-.590** (.239)	.750	-.288 (.252)
N		778		778		778		778
Model Chi-square		48.1***		229.5***		244.6***		268.7***
Step Chi-square		---		181.4***		15.2**		24.1***
Nagelkerke R ²		.082		.349		.368		.399
-2LLR		978.46		797.08		781.14		757.82

Notes: N is reduced because of missing values on some variables

The reference categories are in brackets

***, **, * indicate significance at the 1%, 5% and 10% levels respectively

Table A2: Determinants of management's EWC practice –regression results

Independent Variables	(A)		(B)		(C)	
	Odds ratios	Beta Coeffs (SEs)	Odds ratios	Beta Coeffs (SEs)	Odds ratios	Beta Coeffs (SEs)
Intercept 1		-.933 (.515)*		-1.156 (.524)**		-.682 (.768)
Intercept 2		1.054 (.516)**		.878 (.522)*		1.392 (.772)*
<i>Sector [Services]</i>						
Production	1.204	.186 (.238)	1.359	.307 (.247)	1.387	.327 (.251)
<i>International linkages [None]</i>						
Supplied from	1.525	.422 (.372)	1.305	.266 (.380)	1.292	.256 (.388)
Supplies to	0.839	-.176 (.505)	0.698	-.359 (.513)	0.773	-.257 (.517)
Both	1.262	.233 (.320)	1.068	.066 (.328)	1.126	.119 (.332)
<i>Products strategy [adapted to national markets]</i>						
Globally/regionally standardised	0.569	-.564 (.262)**	0.593	-.523 (.264)**	0.608	-.497 (.271)*
<i>European management structure [No]</i>						
Yes	1.878	.630 (.329)*	1.565	.448 (.334)	1.570	.451 (.337)
<i>Site closures [No]</i>						
Yes	0.628	-.465 (.237)**	0.543	-.610 (.243)**	0.541	-.614 (.248)**
<i>International HR Ctte [No]</i>						
Yes			2.160	.770 (.269)***	2.206	.791 (.280)***
<i>Union presence [No]</i>						
Yes			0.763	-.271 (.307)	1.376	.319 (.314)
<i>Origin [Rest of world]</i>						
Continental Europe					1.626	.486 (.517)
Nordic Europe					4.646	1.536 (.630)**

Ireland + UK					1.725	.545 (.608)
North America					1.517	.417 (.523)
<i>Ownership [privately owned]</i>						
Publicly traded					1.006	.006 (.255)
<i>Host country [Spain]</i>						
Ireland	0.641	-.445 (.267)*	0.604	-.505(.277)*	0.575	-.553 (.302)*
UK	0.424	-.857 (.285)***	0.441	-.818(.305)***	0.394	-.931 (.328)***
<i>Home-owned [No]</i>						
Yes	0.845	-.168 (.420)	0.791	-.234 (.425)	0.791	-.234 (.480)
N		294		294		294
Model Chi-square		25.13***		34.30***		41.98***
Step Chi-square		--		9.17**		7.68
Nagelkerke R ²		.093		.125		.151
-2LLR		334.97		422.15		531.04

Notes: N is reduced because of missing values on some variables

The reference categories are in brackets

***, **, * indicate significance at the 1%, 5% and 10% levels respectively