A Qualitative Analysis of the Role of European Works Councils in British Workplaces

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<td>British Chambers of Commerce</td>
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<td>Confederation of British Industry</td>
<td>CBI</td>
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<td>Department of Trade and Industry</td>
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<td>European Metalworkers’ Association</td>
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<td>Engineering Employers’ Federation</td>
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<td>European Centre of Enterprises with Public Participation</td>
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<td>European Economic Area</td>
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<td>European Union</td>
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<td>Full Time Official</td>
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<td>Institute of Directors</td>
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Abstract

A Qualitative Analysis of the Role of European Works Councils in British Workplaces

The establishment of European Works Councils (EWCs) as a formal mechanism to foster the provision of international information and consultation has been well documented in industrial relations literature. The creation of the Single European Market (SEM) led to corporate restructuring amongst multi-national companies but deprived employees of an opportunity to influence decisions, which were invisible. EWCs were intended to contribute to redress that gap through providing information and consultation at a multi-national level. The implementation of the European Works Council Directive (1994) has stimulated considerable research and debate. The mainly quantitative literature has considered the content of agreements, implementation rates, structures and sector distribution. Some academics have seen an opportunity for union and employee representatives and have written in positive terms about the potential of EWCs. However qualitative research with longitudinal comparative studies, which explore the views of managers, trade union representatives and working people, are less evident in the literature. Comparatively little is known of the views of “ordinary” employees who do not attend but are expected to be beneficiaries of activity at a forum. Some forums have now been in operation nearly a decade and it is time those issues were addressed.

Through drawing on 43 semi-structured interviews and numerous secondary sources, this thesis examines the impact of EWCs on six British based companies to evaluate the extent of their contribution to industrial relations. Interviews were undertaken in 2001 and 2004 with strategically placed managers, trade unionists, employee representatives and other working people whom they aspire to represent. In particular this thesis is placed within existing theoretical debates concerning the desirability of statutory intervention as a mechanism for employee involvement and its consequences. Forums were carefully selected and a balance was sought in terms of companies that are indicative of the sector distribution of EWCs. In each instance the forum was steeped in the Anglo-Saxon approach to information and consultation, although the ownership of parent companies was more diverse.

The aims of this research concern the role of EWCs in industrial relations in British companies and the evaluation of the:

(i) contribution made to industrial relations in case study companies and its impact on the lives of people at work

(ii) pattern of representational arrangements for forums and the issues that arise.

(iii) methods used by management to exercise control over EWCs.
The thesis challenges the prevailing optimistic interpretation of the development of EWCs and the research methods used to arrive at that theoretical view. A detailed insight is provided into how a forum works. An analysis is given of the nature of the limited contribution to industrial relations in British companies and, in the process, the lives of working people. Apparently insurmountable representational issues are revealed, as are an extensive range of methods for ensuring managerial control through manipulation. It is argued that the statutory role and minor input will be enough to ensure that in at least unionised sectors forums survive.
1.0 Introduction

1.1 Research topic

This thesis, like many other pieces of research, arose out of curiosity and interest. In the 1990s my imagination was captured by the potential significance of the introduction of European Works Councils (EWCs) and the concept of pan-European information and consultation. The literature that began to emerge about the topic had an optimistic flavour and, in spite of some personal scepticism, I decided to investigate. In the 1990s there were many newspaper, journal and magazine articles concerning a topic then innovative for a significant number of multi-national companies in Britain. The EU is of significance to the UK as 90% of economic activity is between the 25 member states, which contain 454.9 million consumers. That activity is enhanced by the euro covering 12 nations which is scheduled to expand to 22 nations (Euro Briefing, No.8, 1999: 15; Floyd and Artega, 2001; The Times, 12 December, 2002: 20). The opportunities and challenges that EWCs present stimulated an interest in the subject, which has resulted in this research and thesis.

The European Works Council Directive (1994) was an important piece of legislation because of the innovative nature of its adopted approach to international information and consultation. It was especially important for companies based in the UK economy, with its Anglo-Saxon traditions and in which statutory procedures were last proposed with the Report of the Committee of Inquiry on Industrial Democracy (1977), known as the Bullock Report. There has been a history of antipathy to works councils by management and trade unions for fear of intrusion on traditional approaches to collective bargaining. The Single European Market (SEM) had led to a
major corporate restructuring amongst multi-national companies: this obscured from employees the decisions of management and created a problem for trade unions and employees who were viewing events from a plant, sector or national level. EWCs were intended as a mechanism for information and consultation, which would rectify serious shortcoming, through providing access to senior management at a multi-national level. The EWCD (1994) created an unprecedented era of negotiating activity at a European level between central and senior management and trade union representatives. Management and representatives in multi-national companies have been taken into new areas by EWCs.

EWCs reflected a development in the social policy of the European Union (EU), towards a post-Maastricht regulation of information and consultation. The EWCD (1994) (94/45/EC) (Appendix 1) was the product of three phases of activity, which lasted for 25 years. The phase that first had implications for information and consultation followed the initial drafting in 1970 of what eventually became the European Company Statute and Directive (ECS&D) (2001). The second initiative with implications for information and consultation was the publication of the so called "Vredeling" Directive (1980). The third and ultimately decisive stage for EWCs was heralded by the agreement of the Maastricht Treaty (1992). The EWCD (1994) ECS&D (2001) and the Information and Consultation Directive (I&CD) (2002) could be said to have been brought about by the third phase. The EWCD, (1994) encouraged compliance through a voluntary mechanism. Article 13 of the EWCD (1994) facilitated negotiated arrangements between management and representatives, in preference to a statutory model given in the annex to the directive, entitled Subsidiary
Requirements. The implementation of the EWCD (1994) has stimulated considerable debate.

Over the years, through quantitative research, evidence has emerged regarding the impact of the EWCD (1994), particularly in relation to such indices as implementation rates and the content of agreements. Some enthusiastic advocates comment optimistically on forums providing a contribution to workers’ rights (Marginson and Sisson, 2002; Rivest, 1996); others see an opportunity for employees to make international connections in order to respond to multi-national companies (Wills, 1998: 111). Much contemporary debate about European unity hinges on matters of industrial relations. For instance political parties and the social partners in the UK differ on the question of social regulation. There are divisions within the parties and partners as well as between them.

The establishment of EWCs as a formal mechanism to create and foster international information and consultation has been well documented in industrial relations literature (Marginson and Sisson, 1998; Martinez Lucio and Weston, 2000; Schulten, 1996). The directive has stimulated considerable research and debate. For example, Fitzgerald and Stirling (2004) have identified a number of areas for research: the contribution to employee participation, the impact on European industrial relations frameworks, the differences and similarities between forums, factors that influence the content of agreements, managerial and representatives’ views and interpretation of survey data. Much of that research has been through quantitative techniques. This thesis will contribute to the research by placing EWCs in perspective as contributors to a company’s industrial relations. It will use qualitative methods and data.
The first section of this chapter introduced the issues that will be the subject of research. The second discusses those aims which the research will explore. A third discusses the larger historical debate over the concept of involvement. The fourth provides an outline sketch of the intended content for each of the constituent chapters. A final section in the chapter provides concluding comments.

1.2 Aims

There is extensive industrial relations literature concerning EWCs but it is mainly based on quantitative research and has failed to explore the actual effect on industrial relations in British workplaces. This thesis is seeking to challenge that situation.

The first aim of this thesis is to evaluate and analyse the impact that EWCs have on industrial relations in companies based in Britain and for people at work. That is set in the context of the enthusiasm and advocacy of academics, politicians and practitioners, who argued for the EWCD (1994) and who believe in the potential of those institutions that have been created (Lecher et al., 1999; 2001, 2003; Marginson, 1996a; 1998; 1999). Second, there will be an examination of managerial and trade union representational issues. Third, I analyse managerial use of control techniques to restrict the scope of forums. Each of these aims will be discussed through the use of qualitative research in the context of the significance and general application of case study material.
This thesis reveals the real impact (or lack of it) that EWCs make to industrial relations in Britain, the nature of those representational structures that have emerged and the control techniques deployed by management. The next section provides a study of the development of methods of involvement into which EWCs are placed.

1.3 Historical debate over involvement

EWCs are a form of employee involvement based on the premise that employees in multi-national companies have a right to receive information and be consulted, through an indirect mechanism, concerning certain business activities across the European Economic Area (EEA). The concept is that employees should have some role in determining organisational decisions that affect their work and working lives. EWCs are part of an historical succession of sometimes divergent methods of involvement, which employers have used on either a voluntary or statutory basis. It would appear that approaches to employee involvement vary with political, economic and social pressure and what is popular with management. The objective of multi-national companies is to maximise profit: to do this they seek to control and motivate their workforce in what they perceive to be the most efficient manner. There are many ways of seeking employee commitment: methods have included scientific management, industrial psychology, human relations, human resource management, empowerment and social partnership. All these have stimulated considerable debate concerning their appropriateness and impact. The changing nature of employee involvement renders an all-embracing definition problematic but involvement can be seen as "enhancing the support and commitment of employees to the objectives and
values of the organisation” (Salamon, 2000: 369). Taylorism is the inevitable starting point.

Taylor (1947) developed the concept of “scientific management”, which was a revolutionary concept for maximising employee output through direct employee involvement techniques. For Taylorism to work it is necessary for management to undermine group cohesion and isolate and stimulate workers as individuals. Tayloristic involvement is achieved through an appeal to “economic man” which, whilst a crude philosophy, has been most influential. Whilst Taylorism in its purest form can still be seen in manufacturing, call centres, retail, fast food outlets and so on (Edwards, 1979), there was awareness by some management of a need to rethink the use of human resources in order to achieve business objectives. Alternative methods of presenting involvement, whilst achieving the same ends, were required: hence the interest in human relations and industrial psychology.

The human relations school is often associated with Mayo (1933) but he made a limited contribution to the Hawthorne Studies, which were mainly conducted by Roethlisberger and Dixon (1939), and it drew on the ideas of nineteenth century writers. The focus of the human relations approach was on “social man” as opposed to “economic man” and it placed attention on personal interaction in the workplace. In contrast to Taylorism there was emphasis on involvement with the work group rather than on the motivation of an individual. However employees with a positive outlook are not automatically productive workers and work is dominated by conflict.
After the work of Mayo came the new human relations approach from Maslow (1954), Herzberg, (1959), Likert, (1961) and McGregor, (1960). Their approach tried to encourage managers to concern themselves with the higher level psychological needs of people, through providing a challenge and encouraging the acceptance of responsibility. It is argued that those theories exaggerated the importance of intrinsic factors and the work itself, so there is more focus on what may motivate rather than why people may be so stimulated. Simultaneously many in management used indirect methods of joint consultation to seek to motivate the workforce.

Joint consultation has a long history. In response to economic and social upheaval, the Whitley Committee Reports (1917-18) recommended works committees which, reinforced by Mayo's theories, were revived as the production committees of the Second World War. The process enables management to enter discussions with representatives concerning matters that are not subject to negotiation through collective bargaining. Any influence is entirely dependent on the goodwill of management. With the increased growth of collective bargaining in the 1950s and 1960s consultation inevitably declined but it revived in response to the economic misfortunes of the 1970s and stimulated debate concerning industrial democracy. However, recommendations for statutory works councils and experiments with worker directors ended in failure.

The Bullock Report (1977) on industrial democracy showed both the vehement objections of employers to a governance role for employee representatives and the doubts of many trade unions, as it would compromise their bargaining position. In British culture there is a perceived competition between works councils and trade
unions, as dual representation may suppress the ability of trade unions to challenge management through collective bargaining (Hege, 1996:19). The German system of works councils and co-determination (Mitbestimmung) under the Works Constitution Act (1972), provides for the statutory involvement of workers; in contrast, British workers have been excluded from decision-making. In the UK trade unions have traditionally pursued nationalisation, even doing so at the Labour Party Conference in 2004, and have been wary of statutory works councils. There were also, in the 1970s, experiments at British Steel Corporation with a board comprising a minority of worker directors and at Royal Mail with equal numbers of management and worker directors selected from union nominees. Managerial experiments with employee involvement have not always met with success. For instance, research has shown that dualistic union and non-union structures at Ford and Royal Mail did not increase the commitment of workers (Storey and Sisson, 1994). The legislation to implement the Bullock Report (1977) was lost when a Labour Government was defeated in 1979.

Before the recent expansion of the EU in May 2004, 13 member states made employee information and consultation a right and seven provided participation through board representation (Davignon, 1997: para 76).

It has been argued that joint consultative committees, from the 1980s, could be viewed along a continuum, ranging from union avoidance techniques, to symbolic committees, to less adversarial companions to collective bargaining and then to participative processes (Marchington and Armstrong, 1986). There will be a similar variation in managerial approach to EWCs. Taking things further, the 1990s saw some companies develop employee councils which integrated consultation and negotiation. The arrival of EWCs has been followed by the implementation of I&CD (2002).
Developments in the last 20 years have been set against the influence of human resource management.

It has been argued that human resource management has replaced industrial relations and personnel management (Storey, 1992: 9) and that it includes a specific approach to employee involvement. However, human resource management lacks a defining theory and it does not have core practices. Armstrong (2003) acknowledges the problem:

*The concept of HRM could be regarded as a philosophy governing how employees should be treated in the interests of the organisation, but this philosophy can be applied in many different ways and there is no single model that can used to describe HRM.* (p. 8)

The emphasis is on human resource management assuming a strategic role, whilst using direct methods of employee involvement to gain a competitive advantage (Guest, 1989; Miller, 1989). However, in many multi-national organisations there is a combination of some human resource management practices with collective bargaining (WERS, 1998). In “harder” versions of human resource management employees may be treated as a resource to be utilised to maximise profit but in “softer” versions the same objective is achieved with more subtle approaches, for example total quality management and empowerment. The approach of human resource management raises moral issues concerning the treatment of workers as if they were any other resource “alongside finance, equipment and materials” (Storey, 1996: 5-6). It is difficult to reconcile human resource management with the concept that employees have a right to influence decisions.

Human resource management is often linked with decentralisation and empowerment and viewed as “a means of organising production beyond Taylorism and as a holistic
approach" (Purcell, 1993:63). Multi-national companies in the SEM may be attracted by the use of a European-wide human resource strategy and the potential of its furtherance through EWCs. It would be advantageous to have a European level of regulation, which could be combined with a move towards decentralised plant bargaining, thereby undermining sector and national arrangements (Streeck and Vitols, 1995; Lecher et al., 1999; 2001). Indeed, such an approach would fit with a global trend towards decentralisation.

Like earlier concepts of employee involvement, human resource management methods are ambiguous and contain much rhetoric. The Involvement and Participation Association (IPA) (1996: 8-9) believes that management should acknowledge employees' "right to be informed and consulted about matters of concern to them", through mechanisms such as partnership, empowerment, team briefing, quality circles and total quality management. It is suggested that EWCs could have been added to such a list. However those approaches have met with negativity and have generated much cynicism as little power appears to be placed in the hands of the employee, just some discretion with task-related decisions to improve customer service. In that context "management have defined the redistribution of power in very narrow terms ... strictly within an agenda set by management ..." (Wilkinson, 1998: 49). The techniques are often associated with delayering and flatter structures, thus placing an additional burden on employees so "empowerment becomes a euphemism for work intensification" (Hyman and Mason, 1995: 387). Such negativity towards employee involvement is further supported by the comment that
Developments in the 1980s and 1990s suggest that the process (empowerment) only appears to give employees greater control and, in reality remains dominated and restricted by management. (Hollinshead et al., 1999: 324)

The partnership concept, developed from human resource management, has argued that management and employees do not have different agendas; that it has a strong unitarist emphasis on individual commitment with no room for trade unions. Yet ironically the partnership concept is apparent in environments with collective bargaining. To trade unionists awaiting domestic works councils, some form of voluntary social partnership seemed attractive. However, it has been argued that cooperation through partnership does not have the same meaning when the partners are unequal (Kelly, 1996), as is the case with EWCs. Trust cannot be built on a partial relationship about, for instance, economic information (Kelly and Kelly, 1989), which is what may have been attempted at many EWCs. It has been noted by Labour Research (1998: 12) that the mutual trust and confidence required to make partnership work is rarely available and has had a cynical reception on the shop floor. The same challenges confront the operation of EWCs.

Partnership can be seen as an attempt to control collective bargaining, which has lowered employees' aspirations and has subordinated trade unions to the needs of the employer. Some theorists have expressed surprise that partnership has been pursued at all, given the minimal gains for trade unions and employees (Kelly, 2003: 20). In any case employees may be reluctant to join a trade union that appears to be indivisible from management. Trade union members may similarly not take an interest in a EWC, if it is perceived to be a management mouthpiece where representatives are taken abroad "to be wined and dined"
It has been demonstrated that employee involvement has been orientated to furthering business objectives, with little recognition of the rights of employees to influence decisions that affect their working lives. Multi-national companies are only interested in the comments and views of representatives and employees if they believe this will contribute to control and improvement of the work process. It is suggested that management may believe that by cascading information at EWCs they will influence key opinion formers, which would help achieve European-wide business and strategic human resource management objectives. If EWCs do not make such a contribution they may be viewed as just an annual overhead. In addition some management may manipulate forum delegates, so as to engender conflict, in order to neutralise any organised resistance that may coalesce. Multi-national companies may resent the fact that networking between EWC representatives could frustrate “coercive comparisons” and interfere with “social dumping” to countries with lower labour costs. It is presumably easier for multi-national companies to treat employees dispassionately and impersonally from a European or international level. The next section outlines the structure of the thesis.

1.4 Thesis structure

This thesis is divided into seven chapters and supported by a number of appendices. Chapter 2 discusses the evolution of the EWCD (1994) and the debate between those who advocated legislative intervention and those who thought it would be a retrograde step. When the legislation was enacted, managements had a number of options, which included a voluntary or a mandatory agreement or the ability to ignore the legislation,
which meant managements and trade unionists faced a number of constrained choices. A statistical analysis of the scale and nature of EWCs is also provided.

Chapter 3 explores the limitations of the existing debate between enthusiastic advocates who adopt an optimistic perspective concerning the potential of EWCs and those that take a more sceptical or pessimistic view. Those commentating on forums often base their analysis on the vast amount of quantitative data that exists on the subject. There has been an absence of qualitative research which would focus on comparative detail.

Chapter 4 considers the research methodology, which is a longitudinal study, using qualitative techniques, conducted between 2001 and 2004. It discusses the methodology in terms of research design, the selection of six case studies, the primary research, the semi-structured interview schedules and various secondary sources for agreements and documentation.

Chapter 5 provides a profile of six British based case study companies, which includes conventional details and the approach adopted to industrial relations. It reviews the consultative and collective bargaining arrangements, trade union membership and employee numbers.

Chapter 6 explores the case studies; first, in 2001, representational arrangements, managerial control techniques and the impact of the forum on industrial relations; second, in 2004, the change that has taken place, the impact on industrial relations procedures, feedback to the workforce and the effect on joint consultation and collective bargaining. The experiences of key participants, as well as those
employees, representatives and managers, who do not attend forums, will be considered to determine the impact on industrial relations and the working lives of people.

Chapter 7 draws conclusions, analyses key findings and readdresses the aims. The conclusions will consider the value of a qualitative approach to researching EWCs. The reality of the contribution that forums have made to industrial relations in British companies will be made clear, together with the nature of representational arrangements and the methods used by management to exercise control.

1.5 Conclusions

This chapter has introduced the main aims of this thesis and placed them in a framework of employee involvement. The contribution that forums have made to industrial relations in British based companies will be explored, together with the impact for employees and those managers and representatives who are not involved directly. The representational patterns and the use of control techniques will also be analysed. Much of the existing literature is based on quantitative techniques, which have resulted in an excessively optimistic tone derived from an analytical approach to agreements. Qualitative techniques with the use of comparative studies will provide a clearer insight into the aims of this thesis. The thesis will expose the reality of the contribution made by EWCs to industrial relations in British companies. The next chapter looks at the evolution of EWCD (1994) and the debate about the value of its enactment and the potential of its contribution.
2.0 Contradictory historical processes and perspectives

2.1 Introduction

The divergent perspectives from different interest groups concerning the potential value and impact of the enactment and implementation of the EWCD will be examined, with the principles behind the directive. In the next chapter a parallel debate will be discussed, which concerns optimistic and sceptical opinions regarding the contribution that EWCs have made to industrial relations in British companies and to working lives; the optimistic theoretical perspective is predominant.

The divergent perspectives were evident in a long period of gestation during which proponents sought a mechanism for employees in individual countries to gain access to information and consultation, in order to understand how a multi-national company may affect their working lives. While the EWCD (1994) was being enacted strong differences were apparent between representatives of labour and capital about their potential contribution, impact and value. The political process for decision-making and divergences in the conduct of industrial relations between member states have exacerbated the conflict over approaches to employee information and consultation (Teague, 1993: 391). Phases of evolution may be identified for the draft legislation which reflected structural economic change and the interaction between its advocates and opponents. Concern was expressed by forces defending multi-national business interests that forums would represent an unwarranted intrusion into the managerial prerogative, which would be detrimental to their interests and those of employees. Business interests have the knowledge and resources to influence the complex
decision-making process in the EU and the development of legislation. The substance of the legislation that emerged did not unduly alarm business interests (Topics, 1996: 20) but, in spite of that, a spirit of enthusiastic optimism has prevailed in the writings of a number of theorists.

EWCs must not be viewed in isolation. They are located in an EU that covers 25 states and Streeck (1995: 31) has defined them as

...an international order, controlled by intergovernemental relations between sovereign national states, that serves as a domestic order for a transnational economy.

The European Commission (EC) has been concerned with the impact of economic integration on living and working conditions (Hervey, 1998). The forums are an aspect of a broader approach to the integration of business objectives and the development of employees' potential. Such an approach was typified by an influential speech that Jaques Delors, then president of the EC, gave to the TUC in 1988:

It would be unacceptable for Europe to become a source of social regression while we are trying to discover together the road to prosperity and employment. In my opinion social dialogue and collective bargaining are essential pillars of our democratic society and social progress.

Within that context the principles behind the directive that eventually emerged offered a decentralised approach, which gave national governments some discretion and enabled an element of flexibility to be introduced. Needless to say, many large unionised multi-national companies have exploited every opportunity to create a forum that they considered was suited to their business and that was under their control (Hall et al., 1995). In spite of this, some practitioners, politicians and theorists have argued for a gradual emergence of a new international body of significance.
The stated aim of the EWCD (1994) is to improve the information and consultation available to employees of multi-national European businesses, which employ, in the EU, large numbers of employees. EWCs were defined by Hall et al., (1995: 15) as a

...European level forum where representatives of the management and employees of a multi-national company meet regularly for the purposes of information and/or consultation.

Given that definition, once the legislation was enacted choices had to be made concerning the approach of a business to a EWC. Questions for management included: did the company want a forum? How are trade unions and employees likely to react? Was a voluntary agreement to be sought or was one to be delayed until there was an element of compulsion? Was securing an agreement a mechanism for controlling the process or was it to be avoided? Was a forum something that dovetailed with an economically driven strategic change, from national business units, to an integrated European business approach or was it something to be controlled and neutered? Would a council contribute to a European human resource management strategy? Could one deliver added value or was it just an annual overhead? How are other companies dealing with such a challenge?

Such constrained choices are shaped by the nature and structure of a business and its management style (Gilman and Marginson, 2002; Perlmutter, 1969). Similarly trade union organisations had to evaluate the opportunities presented by a new level of interaction with senior management and to determine how to seek to maximise any advantages. What were the views of members? What can representatives do to exploit the opportunity presented? What support may be available from UK and European trade union organisations? How should they set about it? What is happening in the sector and is the voluntary agreement on offer the best way forward? How will
inter-union relations in Britain be managed both with the distribution of seats and in terms of co-ordination? Challenges concerning the organisation of often diverse representation are considerable, though there are potential gains from networking (Jenson et al., 1999). How will representatives be nominated or elected or appointed? Such choices are set against the prevailing circumstances in the business and the nature of the directive itself (Gilman and Marginson, 2002).

The directive does not contain the words “trade union”, which may be an indication in itself of how effective those opposed to the directive have been in trying to influence its content. It requires community-scale undertakings, in certain circumstances, to create a EWC forum or, alternatively, a procedure to inform and consult employees. It is applicable to those multi-national companies and groups with at least 1,000 employees in the 28 countries of the EEA where a minimum of 150 workers are employed in at least two of those 28 countries. Article 13 of the directive identified a period of two years in which management and representatives could conclude a voluntary agreement. Such agreements were exempted from the specific provisions of the directive, provided that they covered all those members of the workforce that were within the scope of the directive. It has been argued that this provision facilitated managements’ desire for EWCs that are orientated to perceived business needs (Marginson, 1998: 8; Schulten, 1996: 313). Now that the two year period has expired, negotiations are governed by Articles 5 and 6 of the directive. Those articles require the formation of a Special Negotiating Body (SNB) through which management and employee representatives can negotiate to form a EWC. If an agreement is not reached within three years, or if management refuse to negotiate within six months of
a request so to do, the minimum mandatory model must be established, those being the Subsidiary Requirements.

The Subsidiary Requirements, in the annex of the directive, indicate that the EWC must have between three and, at the most, thirty members, with one representative from each EEA member state in which the multi-national company has a business. Members are to be employee representatives as defined by the appropriate national law and/or custom. The EWC forum must meet once a year with central management of the community scale undertaking to discuss:

...structure, economic and financial situation, probable development of the business and of production and sales, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies. (Annex, para. 2)

Prior to any meeting with central management, the EWC is entitled to have a pre-meeting without management. That is the only legal right to meet independently from management. There is not even an automatic right to have a forum (EIRR, 207, 1991: 23-27). Such constrained rights may be detrimental to the emergence of forums of significance. The legal framework was supported by a number of principles which have underlined the EWCD (1994), those being subsidiarity, flexibility, consensus and effectiveness (Savoini, 1995: 249; Lecher et al., 1999: 1). The first meaning:

....issues should be dealt with at the most decentralised level appropriate i.e. not by the Community if a particular objective can be achieved effectively by national governments or by agencies within the Member States. (Hall, 1992b: 556)

Streeck (1995: 38) has argued that, rather than a prescriptive approach in the EU, a "cafeteria" type of governance has developed which allows countries to adopt regulation to their own circumstances. Clearly the more latitude multi-national
companies can persuade national governments to give, the greater the opportunity to control or manipulate a forum in a way that is beneficial to the business. Flexibility was provided to make a voluntary agreement, which in most instances was shaped to meet the requirements of the company and consensus was achieved through negotiation even though, in most instances, that was then the last thing negotiated. If a voluntary agreement was not achieved then the *Subsidiary Requirements* were used thus providing an effective mechanism for establishing a council (Savoini, 1995: 249; Lecher et al., 1999: 1), but it was no guarantee that the forum would operate to the mutual satisfaction of both parties to the agreement. Indeed a seemingly well-worded agreement does not necessarily equate with an effective forum. The legislation and the principles underlying it have resulted in an uneven pattern for the achievement of agreements for forums.

Phases may be identified for the achievement of agreements concerning EWCs (Rivest, 1996). The phases were in essence the pre-directive agreements, which both influenced draft legislation and were in turn affected by proposals that had been tabled (Bercusson, 1992); the significant numbers of voluntary agreements which were enacted during a window of opportunity whereby a prescriptive formula could be avoided; and third agreements which are required to follow the statutory route. The growth in the number of forums has stagnated as the large unionised companies have complied; a multitude of diverse, smaller, more fragmented and less homogeneous companies with a lower union density remain without a forum. If forums are to be part of a new order in industrial relations then it is disappointing that their number has not continued to grow. The timeline below, table 2.1, sets out the sequence of events discussed in this chapter and the next.
### Table 2.1 Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Draft European Company Statute</td>
<td>1970</td>
</tr>
<tr>
<td>Draft Fifth Company Law Directive</td>
<td>1972</td>
</tr>
<tr>
<td>Trade union initiatives to set up world company councils</td>
<td>1970s</td>
</tr>
<tr>
<td>&quot;Vredeling&quot; Directive</td>
<td>1980</td>
</tr>
<tr>
<td>Pre-Directive European Works Councils</td>
<td>1980s</td>
</tr>
<tr>
<td>&quot;Pioneer phase&quot; (Lecher et al., 1999: 8)</td>
<td>1985-1994</td>
</tr>
<tr>
<td>Social Protocol</td>
<td>1989</td>
</tr>
<tr>
<td>Single European Market and Maastricht Treaty on European Union</td>
<td>1992</td>
</tr>
<tr>
<td>EU funding of union trans-national meetings (B3-404)</td>
<td>1992</td>
</tr>
<tr>
<td>Voluntary Agreements</td>
<td>1994</td>
</tr>
<tr>
<td>(UK 1997-99)</td>
<td></td>
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<tr>
<td>Subsidiary Agreements</td>
<td>1996</td>
</tr>
<tr>
<td>“Mandatory establishment” EWCs (Lecher et al., 1999: 8)</td>
<td>1996-1999</td>
</tr>
<tr>
<td>(UK 1999-01)</td>
<td></td>
</tr>
<tr>
<td>UK “opt in”- Amsterdam Treaty</td>
<td>1997</td>
</tr>
<tr>
<td>Voluntary Agreements UK</td>
<td>1997</td>
</tr>
<tr>
<td>Subsidiary Agreements UK</td>
<td>1999</td>
</tr>
<tr>
<td>European Monetary Union</td>
<td>1999</td>
</tr>
<tr>
<td>(Delayed from 1999)</td>
<td></td>
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<tr>
<td>European Company Statute and Directive</td>
<td>2001</td>
</tr>
<tr>
<td>Information and Consultation Directive</td>
<td>2002</td>
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<tr>
<td>2nd Review EWCD (1994)</td>
<td>2004</td>
</tr>
<tr>
<td>(Delayed from 2003)</td>
<td></td>
</tr>
<tr>
<td>Admission of 10 new members</td>
<td>2004</td>
</tr>
</tbody>
</table>

The questions to be addressed in this chapter concern the debate during the emergence of legislation. The developmental phases of activity will be discussed, the nature and effect of the legislation, the controlled choices for actors and the number and pattern of agreements. That will illuminate the potential impact that voluntary and statutory multi-national works councils have on industrial relations in British companies.

The EWCD was shaped by a debate over 25 years between proponents of information and consultation and opponents who sought to obstruct its development. Those lobbying for legislative intervention had high aspirations in contrast with those who were seeking to avoid legislation or who wished to have a minimalistic approach. Analysing the processes and phases of evolution is of value to understand what has emerged, including its significance and potential. The momentum towards the directive is set in the context of structural economic changes and the SEM, which stimulated the demands from European trade unions for legislation, so as to give them access to information and consultation across multi-national companies. They had significant expectations which were repeatedly challenged and resisted by opponents of legislation. The debate over such issues and the expression of contrasting views has been long-standing.

For instance, a TUC conference concerning multi-national companies was held in 1970 which reflected trade union concerns about the industrial relations implications of such companies and globalisation. The TUC commented (21 October, 1970: 12-14):

*It is never clear to an outsider, and often not to an employee, where the real decisions are made in an international company...* (and p.14). *There is a need for greater disclosure of information to employees on consultations over forward investment and manpower plans of international companies operating in the UK.*

To place the conference in context, during the 1970s trade unions in a number of companies tried to establish multi-national management/union relations often under the auspices of European trade union federations, or national trade unions e.g. BSN-Gervais Danone, Ford, Nestle, Philips and Unilever. Trade unions also established
multi-national links called “World Company Councils”, but they were not recognised by management and had little influence. A parallel can be struck between the reasons for the relative failure of such initiatives and some issues which have challenged EWCs: difficulties with differences in legislative frameworks for industrial relations, opposition by multi-national companies and a parochial perspective by employees and unions that frustrated the development of a multi-national approach (Northrup and Rowan, 1977; 1979). However in the 1980s positive progress was made.

A change in the French political context fostered collaborative management/union relations which eventually resulted in voluntary pre-directive EWCs in a number of companies. In addition some French management supported multi-national information and consultation, e.g. Bull, BSN-Gervais Danone, Saint-Gobain and Thompson (Northrup et al., 1988). The “European Information Committees” were based on voluntary agreements between management and unions: the majority of the 41 pre-directive arrangements were French and most of the others were German (Hall et al., 1995: 16). However, one could question whether German trade unions needed the protection of EWCs given the scale of national co-determination. In this “period of the pioneer” (Rivest, 1996: 236), France took the lead and the early EWCs had a major influence on events, such that “the precedent they set exerted a powerful influence on EC policy making” (Hall, 1992b: 551). In the late 1980s those companies that had established EWCs influenced the drafting of the EWCD as they acted as a benchmark (Hall et al., 1995). Establishing voluntary pre-directive EWCs was seen as negotiation in the “shadow of the law” (Bercusson, 1992), as legislation was imminent and it influenced the process. At an early stage a pattern for the distribution of forums had begun to emerge for each sector of the economy.
The same sectors predominate in pre-directive and post-directive EWCs. Metals, chemicals and the food sector provide the majority of agreements (Rivest, 1996: 241; Carley and Marginson, 2000: 7), due to the number of multi-national companies and the relative strength of their trade unions (Schulten, 1996: 313). The process was further stimulated by the EC's involvement in living and working conditions (Hervey, 1998), which was reflected in EU funding of trade union multi-national meetings under budget line B3 404 (Miller and Stirling, 1998). Some three hundred multi-national companies were covered by five hundred meetings of workers which took place between 1991-4 (LRD, 1995). Certain multi-national companies were identified by European trade union federations as potential venues for EWCs (Schulten, 1994); for example, Unilever was targeted by the European Committee for Food, Catering and Allied Workers' Union (ECF-IUF). The activities of trade unions in the 1970s and 1980s, during the build-up to the EWCD, illustrated their aspirational agenda regarding European and, indeed, world councils, which was met with opposition.

Numerous managerial organisations opposed drafts of the EWCD: Confederation of British Industry (CBI), Institute of Directors (I of D), the European employers' association, the Union of Industrial Employers' Confederations of Europe (UNICE), Engineering Employers' Federation (EEF), British Chamber of Commerce (BC of C) and multi-national companies, especially those with American owners. However, once the legislation was enacted, there was in many instances a complete change, with a pragmatic realisation that the forums would not be particularly harmful to business and that a voluntary agreement was the best way forward (Marginson, 1998: 8; Schulten, 1996: 313). Business had feared the agenda of advocates for the forums:
the EC, the European Trade Union Confederation (ETUC) and its constituent members such as the Trades Union Congress (TUC), European trade union federations, individual trade unions and at times some national governments.

The CBI, for instance, initially strongly opposed the draft EWCDs, the drafts of the European Company Statute & Directive (ECS&D) (2001), and the draft Information & Consultation Directive (I&CD) (2002), because of a fear of co-determination legislation similar to that in Germany (Whiteley, 1999: 3). The EEF lobbied against the draft EWCD on the grounds that it was too rigid an approach to information and consultation and would give representatives access to high level decision-making (IDS Study, 1996, No. 600: 4). However, it must be remembered that access does not necessarily equate to influence. Anne Minto, Deputy Director of EEF, suggested at the Harrogate conference of the Institute of Personnel and Development in 1994, that the EU’s method of trying to prevent “social dumping” tended to “shackle opportunity” In her view it was impossible to impose models of involvement and expect them to work (Overell, 1996a: 9).

In the same vein BC of C described the draft directive as

...an unwarranted interference in the management of the company...and
...the need for binding Community-level legislative intervention is questionable. Employers and employees should be free to establish procedures best suited to their enterprise. (Press Release, 7 April, 1994).

The I of D took a similar position, criticising the EU’s

...outdated proposals...which are... based on group representation and would impose a bureaucratic model on reluctant companies...the model of personal, individual participation more appropriate to a modern economy should be encouraged. (I of D, 1992)
UNICE (1991) likewise rejected the proposals as “totally unacceptable”; and argued that a single model of representation was inappropriate given diverse business and management style. In response to such concerted opposition the EC changed its strategy towards legislation.

Hall (1992b) argued that the EC adopted a coherent strategy for implementation of the EWCD, comprising five elements. First, the SEM (p.549), which led to corporate restructuring in multi-national companies but which deprived employees of the opportunity to influence decisions and that was seen as socially unacceptable. Second, trade union objectives (p. 550), pursued through the ETUC focused and directed the EC’s thinking towards international EWCs and away from consultation and information through local management, as proposed by “Vredeling” Third, the prototype EWCs (p.551), referred to above, had already been established. Fourth, (p.554), the EC drew on earlier initiatives such as “Vredeling” and then the draft European Company Statute. However, there were innovations, with the co-determination of the draft European Company Statute being replaced by EWCs, which may not impinge on managerial prerogative or national systems. The consequences could be that some multi-national companies have used EWCs, as part of a human resource management strategy, to increase control by presenting a convincing message in contrast to what the EU envisaged, a mediator between social partners (Ramsey, 1997). Finally, there was the principle of subsidiarity (Hall, 1992b: 556; Lecher, 1999; Savoini, 1995) and the concept of flexibility both of which are discussed above. That was consistent with the tendency of member states towards deregulation and flexibility in the labour market. The EC saw that a less prescriptive approach was more likely to succeed (Steeck, 1995).
The background to the strategic review was that the ETUC had used its influence, as a lobbyist for legislation, to move the EC away from the position in the “Vredeling” proposals (Hall, 1992b: 550). So in contrast, the draft EWCD (1990) proposed a bypass clause that enabled representatives to deal directly with senior management of the parent company. As indicated above, management and their representative bodies strongly resisted the proposals. However, the draft EWCD (1990) was supported by the EC, which wanted to enact a directive with reference to information and consultation that related to the Social Action Programme which accompanied the Social Charter.

The “opt out” of the Social Protocol of the Maastricht Treaty by Britain enabled the Social Affairs Council to proceed by qualified majority voting, without the UK, on 12 October, 1993. The EC consulted ETUC, UNICE and European Centre of Enterprises with Public Participation (CEEP) about reaching a social partnership concerning EWCs: the consultations ended in failure mainly due to the attitude of the CBI, which was instrumental in the withdrawal of UNICE (EIRR, 1994, No. 243: 3). Padraig Flynn, Social Affairs Commissioner, said to the CBI conference on 14 October, 1993:

Do not misunderstand me. If the social partners cannot reach agreement, I am firmly convinced that there will be legislation. There is wide agreement between eleven member states on this point. (Hepple, 1993: 36).

The EC released a new draft of the directive in April, 1994, which was adopted by the Council of Ministers for Social Affairs of the EU on 22 September, 1994.

The overall thrust of the draft directive of 1990 remained intact (Gold and Hall, 1994). The differences were minor: for example the final draft increased the employee
threshold from 100 to 150. The *Subsidiary Requirements* are as in the previous version except for longer time scales. The EWCD (1994), under ETUC pressure, went further than many of the 40 French and German pre-directive voluntary agreements, which had acted as a benchmark (Hall et al., 1995).

The managerial response was entirely pragmatic and focused on getting the best outcome for business, which was often a voluntary agreement. For example the CBI adopted the view that "the voluntary agreement approach ... does offer the prospect of more flexibility for employers" (Topics, 1996: 20). Similarly the UNICE Secretary General said "the Directive will not do any particular harm" (Agence Europe, 1995: 11). John Cridland, Director of Human Resources at the CBI, said that multi-national companies would choose to sign tailor-made voluntary agreements before 22 September, 1996, rather than wait for more prescriptive regulations (Clement, 1996).

The EEF also translated its original opposition into a pragmatic approach of offering practical support to members: they organised a road show with the University of Warwick Industrial Relations Research Unit, which went to twelve cities in January, 1996 (EEF Press Release, 6 December, 1995) and the EU provided a quarter of the funding.

Unsurprisingly, representatives of workers opposed the pessimistic view expressed by managerial organisations during negotiations over the EWCD. The TUC Multi-National Project was set up in October, 1993, to establish information and consultation between union representatives across the EU, which would in turn facilitate the creation of EWCs (IRS, Employment Trends, 561: 6). It was supported by research, the creation of a database and the organisation of meetings. Nick Clark,
the TUC Multi-National Project Officer, suggested in an interview with *Labour Research* that the directive would help to prevent trade unions being sidelined by multi-national companies:

*We wanted to demonstrate that trade unions were the organisations that represented workers in these companies and to ensure that the trade unions were not sidelined in the process.* (Labour Research, 1996:17)

The aspirational thinking of British trade unions at that time was based on a number of factors. First, they were keen to continue to foster links with trade unions in other EU countries and in European trade union industry committees. Second, unions wanted a forum in which to centralise their role in multi-national companies, in a climate in which companies were striving to decentralise operations and expanding in the SEM (Stevens, 1997: 20). Third, trade unions in Britain, in the absence of a statutory mechanism for information and consultation, sought to create and develop procedures and networks above plant and/or company level (Lecher et al., 1999: 229).

In this respect even in those businesses with a EWC, there is often still a void for many British employees between plant based procedures and the multi-national forum.

In spite of the years of optimistically lobbying for a EWCD, trade unionists were pessimistic about the value of the directive which had emerged, as it left detailed implementation to the custom and practice of member states, including the selection of employee representatives. It was evident that, in the short term, the TUC was interested in networking between delegates but wanted to develop interaction with management in those organisations where mutual trust might emerge. However, there were a number of serious regrets.
Nick Clark of the TUC pointed out in an interview with Reimers (1996) that the organisation regretted a number of aspects of the directive and they were concerned about the way some of the EWC agreements had been established. John Monks, general secretary of TUC, listed some of the abuses that the TUC had tried to address:

...snap elections for so-called representatives, with the rules, constituencies and conduct entirely controlled by management; pre-prepared “agreements”, being hawked around local workforce representatives in the hope that they are naive or ill informed enough to sign them without seeking advice, or talking to another representative: and the establishment of negotiating forums from which full-time union representatives are excluded. (Labour Research, 1996: 18)

Monks argued that many employers talked about involvement and consultation but employees looked on with jaded scepticism (Overell, 1996c: 9). Indeed, one wonders what a forum means to an average employee. However, business interests had contrasting views.

The fears of the sceptical business interest groups did not materialise in the final draft of the directive, so the opposition of employer organisations was replaced by a pragmatic and politically astute response. Perhaps employers’ organisations considered they had achieved what that wanted, namely a directive which enabled them to retain control of a forum and incorporate it into their human resource management strategy. Employers argued that they had removed the ability of forums to hold them to account or challenge their actions. Many employers did take full advantage of facilities to control EWCs and make them in their own image by entering voluntary agreements (Marginson, 1998; Schulten, 1996: 313). Groups representing employee interests were concerned about the directive because of the various caveats and omissions in the legislation. However, they suggested that there
was a potential framework with which to exert some influence on multi-national industrial relations (Marginson and Sisson, 2002).

2.3 European Works Council Directives, 94/45/EC, 97/74/EC, Statutory Instrument, 1999/3323

The implications of the initial directive (1994) (Appendix 1) and the legislation that subsequently resulted from the British “opt in” (1997) (Appendix 2) are discussed and analysed below. They have provided the parameters within which forums have contributed to industrial relations in British companies and to the working lives of employees.

As a result of the Conservative government’s “opt out” of the 1993 ratification of the Social Protocol of the Maastricht Treaty on European Union, (1991), the EWCD did not apply to UK businesses, though it was applicable to operations that British companies had elsewhere in the EEA. Article 13 of the directive permitted companies to reach voluntary agreements concerning EWCs, provided that they were concluded before 22 September, 1996. The scope of voluntary agreements was influenced by the statutory model (Gilman and Marginson, 2002: 37). Agreements concluded after that date follow a prescriptive formula in the Subsidiary Requirements. Many UK firms had to establish a EWC due to the scale of their operations elsewhere in the EU, so it made no sense to exclude representatives for British employees (Ramsey, 1997: 317; Hall et al., 1995: 28-29). Indeed, such an approach was consistent with the UK’s tradition of voluntarism (Hall et al., 1995: 29). However, the “opt out” was reversed after a change of government.
A Labour government, elected in May 1997, reversed the "opt out" initiated by the previous administration and ratified the *Maastricht Treaty's Social Protocol*, (1991), which was incorporated into the *Amsterdam Treaty* (1997, Articles 117-120); the UK had therefore "opted in" EU Directive 97/74/EC of 15 December, 1997, extended to the UK the original EWCD, 94/45/EC of 22 September, 1994. As a result, British companies without an agreement, and not covered by the "opt out", had the option to sign a voluntary agreement under Article 3 of the "new" directive, as long as they did so by 15 December, 1999. From that date the prescriptive formula should have applied but, owing to a delay in UK transposition, it did not apply until 15 January, 2000. The enacting legislation was *The Trans-national Information and Consultation of Employees Regulations* (1999) Statutory Instrument 1999/3323. There was a contrast once again in the perception of business and employees to those developments: the CBI supported the approach adopted by the government as it gave business what it required but, on the other hand, the TUC expressed concern about the directive.

The CBI commented in reaction to the draft regulations that:

*The CBI supports the broad policy approach adopted by the Government in implementing the EWCD into national law. It is essential that the regulations are flexible and do not impose additional requirements that go beyond the provisions of the directive. Allowing companies to establish EWCs of information and consultation procedures tailored to the specific needs of their business will be conducive to management representatives forming successful relationships.* (EWCB, 23, 1999: 5)

The TUC also welcomed the implementation of the UK's *Trans-national Information and Consultation of Employees Regulations* (1999) but Nick Clark, TUC repeated the view expressed about the original directive concerning the method for selecting
employees: “it is illogical that unions recognised by the employer for collective bargaining are not entitled to negotiate over EWCs” (EWCB, 25, 2000: 7).

Having enacted the directive, even in the UK, the EC had to review its operation and the review date set in the EWCD (1994) was September, 1999. At a conference jointly organised by ETUC, UNICE, and CEEP in Brussels, 28-30 April, 1999, entitled *European Works Councils Practice and Development*, some 500 representatives reviewed the EWCD. The issues identified are highlighted in table 2.2.

**Table 2.2 Main conclusions of the review of EWCD by the social partners**

<table>
<thead>
<tr>
<th>Conclusion</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Very low level” of trans-national information and consultation provided by some agreements.</td>
<td></td>
</tr>
<tr>
<td>Absence of a requirement in the directive for the adaptation of EWCs to reflect structural organisational changes.</td>
<td></td>
</tr>
<tr>
<td>EWCD is unclear on the timing of information and consultation in relation to making decisions.</td>
<td></td>
</tr>
<tr>
<td>Training for members should be a right.</td>
<td></td>
</tr>
<tr>
<td>The “need for information and consultation to exist at national level” and for effective flow of information between EU and national levels of worker representation.</td>
<td></td>
</tr>
<tr>
<td>Much of the rest covers detailed provisions of national measures.</td>
<td></td>
</tr>
</tbody>
</table>

(EWCB, 28, 2000: 4-6)

The conference also reviewed the reasons for a small number of Article 6 statutory agreements. Employers expressed scepticism over an ability to obtain added value (EIRR, 305, 1999: 3). The ETUC submitted to the EC a list of desired changes which they argued were required to unlock the potential to achieve more optimistic aspirations. The central points were that they requested the lowering of the number of employees required for inclusion within the scope of the directive and it was suggested that a provision should be included for time off with pay for the purpose of training. They requested that information should be timely, multilingual and comprehensive in nature and in a written format. It was argued that representatives should be able to make in-depth assessment of information with which they are presented, therefore consultation should anticipate management decisions, with
comments at a planning stage. They also suggested that management decisions made in breach of EWC agreements should be deemed void (EWCB, 26, 2000: 1-2). In contrast UNICE's pragmatic view was that it was too soon to comment on EWCs, as they were evolving company-led initiatives (EWCB, 28, 2000: 6): at least they were frank about the level of control they exercised. The EC had then to reach a decision concerning the outcome of the review.

The EC concluded in April, 2000, that any revisions should await enactment of ECS&D (2001) and I&CD (2002). The ETUC dissented from the EC's report, claiming that the social partners' conference in September, 1999, had indicated that there was a need for change (EWCB, 28, 2000: 5; EIRR, 317, 2000: 19-22). The EC's legislative programme for 2003 contained a commitment to consult on a review, which should have started in October, 2003; it was deferred until May, 2004. In preparation for the review the Department of Trade and Industry (DTI) on 7 July, 2003, published a discussion paper entitled *The UK Experience of EWCs*. The ETUC have expressed scepticism about what has been achievable under the directive but employers have been broadly satisfied. There is no suggestion that management have regarded the inception of forums as having challenged their prerogative in spite of their original concerns.

### 2.4 Constrained choices

Management had to make strategic choices and had no desire to exceed the requirements of the legislation. Variable factors influence each company according to culture, location and the level of union density and diversity. Approaches to compliance with the EWCD vary, irrespective of whether the EWC is achieved
through a voluntary or a mandatory route (Webster, 1995: 18). On the other hand, trade unions aspired to develop forums beyond the remit that was given in the directive. Representatives had to determine objectives and bargaining ranges. They had to adapt their approach to the industrial relations in the business and deal with inter-union issues both in Britain and abroad. The differences between the social partners make it clear that there are conflicting aspirations for EWCs.

The choices facing management and employee representatives are constrained by a number of influences, including the business itself, the management style and its policy and procedures (Hall et al., 1995). They raised a number of issues: for instance, the details of the directive itself are influential, in particular the Subsidiary Requirements. Early agreements and existing agreements serve as precedents for others and will also act as a guide to good practice (Lecher and Rubb, 1999). EWCs are not set in isolation, owing to the industrial relations system in the country with the headquarters of the multi-national company. Gilman and Marginson (2002) term this the "country effect". There is also the influence of the sector in which the company is operating: EWCs in a given sector tend to resemble each other, possibly due to the influence of European trade union federations and a "learning effect" amongst management (Gilman and Marginson, 2002). The distribution of EWCs between sectors is uneven: the "sector effect" is explored below (Gilman and Marginson, 2002). The decisions made by actors are constrained by the need to make strategic choices within existing structures (Kockhan et al., 1986; Sisson and Marginson, 1995: 94). Therefore, the contribution of EWCs to workplace democracy may ultimately hinge on the "balance of probabilities in outcomes and contingent factors" (Ramsey, 1997: 315). Some companies see forums as irrelevant; in others there are constraining structural issues and mutual indifference by the parties involved (Lecher et al., 2003).
Development of a forum will be subject to a number of influences. Trade unions aspire to broaden and develop the role, whereas managements seek to use the parameters set by the directive.

The development of a EWC, or any organisation, depends on a combination of different and variable factors (Handy, 1981). For example, the national cultural mix at the organisation and its occupational components may be important (Miller, 1999: 347-8). Miller based his analysis on data from EIROnline (1998), from which he derived a number of points. EWCs have been cast in the role of reacting to information that multi-national companies either choose or are forced to disclose. The consequence of this may be to create conflict and division between representatives. The complex composition of EWCs with union and non-union members and with representatives from different business units and possibly sectors may result in problems. There are numerous challenging issues for forums to circumvent. Their potential to develop and make a contribution to industrial relations will vary between forums and British companies.

In each country the extent to which forums fit into industrial relations will vary and will influence their potential to contribute (Pedersini, 1998; Stirling and Fitzgerald, 2001: 23). The directive will have a variable impact depending on existing processes, structures and local and national bargaining agenda (Webster, 1995: 18). Factors that constrain and contingency factors have influenced the success in forming EWCs in different countries. In Greece and Portugal participative representative structures are not well developed (Pedersini, 1998: 29). In other countries there is a close relationship or "tight fit" (p. 29) between existing national systems for information
and consultation and the additional tier of an EWC. Pedersini (1998:29) cites countries with a diverse range of systems, i.e. Austria, Finland, France, Germany, Italy, Norway and Sweden. Indeed Lecher et al., (1999: 104) have demonstrated the closeness of the synchronisation of EWCs with the German system by entitling chapter 10 of a book as "Hoechst, the EWC as the Fourth Tier of Co-determination". It is perceived as following logically from the group work council at level three and is associated with methods of communication that reflect an involvement in the national system for industrial relations. The pioneering role for pre-directive French EWCs has been noted above in relation to the evolution of the directive. Therefore, the EWC concept potentially dovetails with French national law and practice, providing the relationship between the comités de groupe and EWC can be effectively managed.

The impact of EWCs on managers, employees and trade union representatives may vary between countries.

In some countries despite the close relationship between the national system and the new tier – Pedersini’s “relatively tight fit” (p.29) - EWCs have raised new issues for information and consultation, i.e. Belgium, Spain and to some extent the Netherlands. In two countries the directive has had a “substantial impact”, due to the absence of statutory works councils, i.e. UK and Ireland (Pedersini, 1998: 29). In the absence of company or national bargaining for many private sector employees the voluntarist tradition in the UK and Ireland was challenged by EWCs (Hall, 1992a: 10; Sisson et al., 1999: 4). The directive does seek to create contractual voluntarism, through leaving the structure of the EWC to negotiations between employers and representatives (Streeck, 1997b: 12). Nevertheless the concept itself is still relatively new, so that employers and representatives have had to organise and re-orientate
interaction at a different level (IPA, 1998; Wills, 1997: 10). However, the impact such interaction has on British industrial relations and what in reality it means for employees has yet to be fully investigated.

Certain factors help or hinder the development of forums. Lecher (1999: 278) identifies the "dimensions" of "time, money, information and power" as constraining factors. For Lecher (1999), the better a EWC can endow itself with those elements, the greater the chance of it realising its potential. The dynamism of EWCs differs in relation to variable factors, for instance, the quality of communication between representatives, the activity of select committees, the support from representatives and the training received (Waddington, 2001). For British representatives, in particular, it can be hard to re-orientate from plant to EU level (IPA, 1998; Lecher et al., 2003: 169). The perceived relevance of forums could be an issue and dealing with it places a considerable strain on trade unions. Indeed, the relevance of forums may be obscure to many British trade union members and possibly managers.

A key constraint to the development of more EWCs is that trade unions are fully stretched servicing those that exist. Trade union European Industry Committees coordinated strategy for the negotiation of EWC agreements by providing support in the form of seminars, training, model agreements, legal advice, sets of guidelines and core values. However, once the EWC is in operation, lay officials may find that the support is not sustained due to pressure on limited resources.

It has been argued that various factors may constrain EWCs. The advocates and optimists believe that such challenges can be addressed: this is discussed in the next
chapter. Such factors can include an uneven distribution of units by country, the
degree of international focus in the business strategy, different national systems and
patterns of representation, with varying levels of union density and diversity, together
with the nature of the corporate structure (Lecher et al., 2001: 20). The choices made
by management and representatives are analysed below.

2.5 Selected choices

EWCs underwent certain development phases: first, pioneering pre-directive
agreements, which were discussed above; second, voluntary agreements, and finally
statutory agreements, discussed below.

An opportunity existed to reach a voluntary agreement: Lecher et al., (1999: 8; 2001:
15-16) described the period from September, 1994 to September, 1996, as one of
“directive driven voluntary agreements” At the end of the period for voluntary
agreement came “the mandatory establishment” phase (Lecher et al., 1999: 8) under
speculated that a fourth stage would start on 22 September, 1999, when the maximum
period of three years, stipulated in Article 7, for negotiation ended (except for the
UK). However, this “deadline effect” did not happen: similarly for Britain, when the
three years expired on 15 December, 2002, there was no surge in activity. Lecher et
al., (1999) also suggested that the first scheduled review of the directive (originally
due in September, 1999, and not taking place until April, 2000), would herald their
fourth stage. However, given the lack of any increase in activity, it must be concluded
that the fourth stage has not materialised. In conclusion three phases are clear:
pre-directive, voluntary and statutory. Employers and representatives had to respond to the options for action concerning forums.

Reid (1999) pragmatically advised employers who were faced with the prospect of a claim for a EWC to identify the strategic choices, conduct an audit of industrial relations, recognise potential representatives and their attitudes, and finally familiarise themselves with the relevant employment law. It is argued that many multi-national companies have been through that suggested process or a similar one. Voluntary agreements were usually negotiated with British unions and/or trade union European industry federations (Carley et al., 1996; Rivest, 1996; Wills, 1997), with most representatives selected from works councils or union negotiating bodies, though small numbers exist of non-union representatives. The objectives of representatives when negotiating in such a context need to be examined.

It has been argued that to increase the number of EWC agreements trade unions adopted a “quick and dirty” approach to obtain a deal with management (Wills, 1998, Paper 3: 31). The implication is that unions accepted agreements which fell short of their objectives to achieve a large numbers of voluntary EWCs. However, that view has been contradicted by Alan Wild, who advised both the CBI and EEF. He said in an interview with People Management:

Many of the early deals were union driven. The deals we now have almost without exception, allow external trade union representatives to sit in on the EWC. But under the terms of the directive itself, external experts can be excluded from meetings. The price of EWC will almost certainly go down in the run-up to 1999. (Overell, 1996a: 8).

Wild (Overell, 1996a) argued that the trade unions had achieved an unnecessary advantage when companies negotiated voluntary agreements that contained provisions
over and above the *Subsidiary Requirements*. Such points have stimulated the enthusiasm of more optimistic theorists about developments arising from the characteristics of EWCs agreements and their operation.

Some characteristics emerge from the mainly quantitative comparative research, such as the diversity of the agreements, their often basic nature and the prominence of specific countries and sectors. For instance, Schulten (1996: 312) drew conclusions, when writing at the end of the period for negotiating voluntary agreements (in every country except the UK), from analysis and empirical studies by Gold & Hall, (1992); Hall et al., (1995); Krieger and Bonneton, (1995); Rivest, (1996) and Stoop, (1994). He identified five points: first, the variety and diversity of agreements that provide differing degrees of influence for representatives on an EWC; Gilman and Marginson (2002), writing at a later date, refer more positively to a “learning effect” influencing new agreements and revisions. Second, he identified a basic model that is minimalist, even denying the consultation rights of the *Subsidiary Requirements*, thereby reducing representatives’ influence. However in contrast Gilman and Marginson (2002) refer, again more optimistically, to a “statutory model effect”, as they are of the view that the directive has provided a basic model.

Schulten (1996: 312) suggested, thirdly, that at that time half of EWCs were in companies that had French or German headquarters. Fourth, most EWCs are in sectors with high union density and where there are many multi-national companies, e.g. metal and chemical industries. Lastly, the initiative to create an EWC came mostly from employee representatives but in some cases from management keen to keep the “process under management’s influence” (Schulten, 1996: 313). It has been argued...
that multi-national companies wanted EWCs to suit the company structure and management style, to fit in with communications channels and strategic plans (Carley and Marginson, 2000; Hall, 1994a; Rivest, 1996; Schulten, 1996). Some managements did not take advantage of the opportunity to make a voluntary agreement for a number of reasons considered below.

Following the voluntary phase under the terms of Article 13 of EWCD (1994), came those agreements which were subject to Article 6. A major procedural difference between statutory Article 6 agreements and voluntary Article 13 agreements is that the first has to be negotiated with a SNB. Article 6 agreements should be signed by members of the SNB and not by a trade union official, which may have had the effect of marginalising trade unions. In contrast, national and trade union European industry federations signed 45% of Article 13 agreements (EWCB, No. 20, 1999: 13). Multi-national companies became subject to the mandatory prescriptive Annex to the directive for a number of reasons, including the case where firms delayed or refused to engage in voluntary negotiation; were not within scope of the legislation during the voluntary period; were not minded to set one up; or did not receive a request to do so. The slow progress with Article 6 agreements was caused by the bureaucratic SNBs and, as mentioned above, initiatives and developments have been further stifled by trade unions fully stretched to serve existing EWCs. In some instances employers, employees and representatives may not be interested in establishing a EWC due to qualitative factors. Many larger businesses already have a EWC but the remainder are smaller with fewer resources and many are in a poorly unionised service sector (EWCB, No. 22, 1999: 11; EIRR, 305, 1999: 3). Having examined the choices made when negotiating an agreement, it is important to understand the scale of activity.
2.6 Statistical analysis

There are at least 639 multi-national companies with EWC agreements but the total number of agreements has been calculated at 811 covering 739 councils. There are approximately 460 Article 13 agreements and 350 statutory agreements. The situation is complex: at least 64 companies are linked to more than one agreement due to restructurings and renegotiations; some 55 companies established more than one EWC; 17 such companies have three forums and multi-level or divisional arrangements exist at a few others (ETUI, 2003: 1; EWCB, 27, 2000: 6; EWCB, 43, 2003: 14-16, Lecher et al., 2001: 12).

An estimated 1,865 companies (ETUI, 2003: 1) are within scope of the directive, excluding those in countries which joined the EU on 1 May, 2004. The existing EWCs cover nearly 60% of the potential workforce and about 40% of the businesses (EWCD, 27, 2000: 6; EWCB, 43, 2003: 14-16). Indeed approximately 10% of employees in the EEA are within scope of the EWCD (Fitzgerald and Stirling, 2004). It can be suggested that, once most EWCs are established, on average 40 would meet every week. Presuming that none would meet in August or December, some 17 million employees would be covered (ETUI, 2003: 1) and 36,000 employee representatives would meet at least once a year (Rivest, 1996: 235-6).

The DTI (1999, para.19) estimated that up to one third of companies may not be asked to establish a EWC by their employees. Potentially a further 800-1200 EWCs remain to be created through formal negotiation, presuming that their employees
make such a request. It may not be possible to maintain the current slow rate of progress when dealing with smaller businesses and their lower levels of unionisation. Having considered the raw data, the structure of those EWCs that have been established needs to be considered.

The EWCD, (1994), in the *Subsidiary Requirements*, refers to the use of a “German model” for EWCs, as paragraph 1(b) states that a EWC should be composed of elected or appointed representatives. By implication that suggests a single body which excludes management. It may be argued that the reason for the popularity of the “French” joint management/union approach may be a fear of disrupting or undermining national systems, or due to a common sense of uncertainty about a new institution (Lecher et al., 2001: 23). It may also be a managerial control technique. In table 2.3 below is the percentage of EWCs by home country, the number of EWCs and the preponderance towards a “French” or “German model” for the forum.

Table 2.3 Use of “French” or “German” model for structure for EWCs, 2001

<table>
<thead>
<tr>
<th>Country*</th>
<th>% EWCs*</th>
<th>Number of EWCs*</th>
<th>“French” or “German” model EWC**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>18</td>
<td>116</td>
<td>58% German</td>
</tr>
<tr>
<td>USA</td>
<td>15</td>
<td>96</td>
<td>96% French</td>
</tr>
<tr>
<td>UK</td>
<td>15</td>
<td>95</td>
<td>89% French</td>
</tr>
<tr>
<td>France</td>
<td>9</td>
<td>58</td>
<td>66% French</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7</td>
<td>43</td>
<td>58% German</td>
</tr>
<tr>
<td>Sweden</td>
<td>6</td>
<td>40</td>
<td>66% French</td>
</tr>
<tr>
<td>Switzerland (Non EU)</td>
<td>6</td>
<td>37</td>
<td>58% German</td>
</tr>
</tbody>
</table>

** Lecher et al., 2001: 22-23.

Two thirds to three quarters of voluntary EWCs use the “French model”, which is especially prevalent in those sectors where unions tend to have less strength: drink, tobacco and financial services. Those sectors where trade unions tend to be strongest are inclined to have high numbers of EWCs and use the “German model” for
governance, i.e. metalworking, paper and transport (Carley et al., 1996; Fulton, 2001; Marginson et al., 1998b; Lecher et al., 2001: 22-23). It has been argued that the variations between sectors are attributable to differences in union density, organisation and inconsistencies in the policies of multi-national companies (Marginson et al., 1998a).

The compatibility of EWCs to a national system can partially be gauged from the success in establishing councils, which is also a reflection of the distribution of particular sectors and patterns of ownership (Pedersini, 1998). The success rate is sometimes referred to as the “strike rate”, that is the estimated proportion of agreements concluded for EWCs out of the potential total. The data is set out in table 2.4.
Table 2.4 Multi-nationals covered by EWCD and having established EWCs by country of ownership (excluding those countries that joined on 1 May, 2004)

<table>
<thead>
<tr>
<th>Country of ownership</th>
<th>No. of companies covered by the directive</th>
<th>No. of companies that have set up an EWC (% companies covered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>39</td>
<td>14 (36%)</td>
</tr>
<tr>
<td>Belgium</td>
<td>57</td>
<td>28 (49%)</td>
</tr>
<tr>
<td>Denmark</td>
<td>53</td>
<td>19 (36%)</td>
</tr>
<tr>
<td>Finland</td>
<td>47</td>
<td>20 (43%)</td>
</tr>
<tr>
<td>France</td>
<td>185</td>
<td>65 (35%)</td>
</tr>
<tr>
<td>Germany</td>
<td>398</td>
<td>100 (25%)</td>
</tr>
<tr>
<td>Greece</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iceland</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ireland</td>
<td>40</td>
<td>5 (13%)</td>
</tr>
<tr>
<td>Italy</td>
<td>57</td>
<td>20 (35%)</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>2</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2</td>
<td>2 (100%)</td>
</tr>
<tr>
<td>Netherlands</td>
<td>122</td>
<td>47 (39%)</td>
</tr>
<tr>
<td>Norway</td>
<td>19</td>
<td>14 (74%)</td>
</tr>
<tr>
<td>Portugal</td>
<td>7</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Spain</td>
<td>38</td>
<td>2 (5%)</td>
</tr>
<tr>
<td>Sweden</td>
<td>100</td>
<td>43 (43%)</td>
</tr>
<tr>
<td>UK</td>
<td>232</td>
<td>93 (40%)</td>
</tr>
<tr>
<td>EEA</td>
<td>1,398</td>
<td>472 (34%)</td>
</tr>
<tr>
<td>Australia</td>
<td>8</td>
<td>3 (38%)</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Canada</td>
<td>15</td>
<td>3 (20%)</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Japan</td>
<td>49</td>
<td>21 (43%)</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>2</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>South Africa</td>
<td>3</td>
<td>1 (33%)</td>
</tr>
<tr>
<td>South Korea</td>
<td>3</td>
<td>1 (33%)</td>
</tr>
<tr>
<td>Switzerland</td>
<td>95</td>
<td>37 (39%)</td>
</tr>
<tr>
<td>USA</td>
<td>286</td>
<td>101 (35%)</td>
</tr>
<tr>
<td>Non-EEA</td>
<td>467</td>
<td>167 (36%)</td>
</tr>
<tr>
<td>Overall Total</td>
<td>1,865</td>
<td>639 (34%)</td>
</tr>
</tbody>
</table>


The success in establishing EWCs or the "strike rate" varies by country, which in turn influences the sector coverage, for instance, multi-national companies based in France, Germany, UK and USA account for 64% of agreements (Marginson, 1998: 17). The next table (2.5) examines the distribution of EWCs by business sector, in terms of whether they are voluntary or statutory agreements.
Table 2.5 Multi-nationals covered by the EWCD and having established EWCs by sector of activity (excluding those countries that joined on 1 May, 2004)

<table>
<thead>
<tr>
<th>Sector of Activity</th>
<th>Article 6 %</th>
<th>Article 13 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metalworking</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Chemicals</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Food, Drink, Tobacco</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Construction &amp; Utilities</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Pulp and Paper</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Financial Services</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Textiles, Clothing &amp; Leather</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Commerce</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Transport &amp; Communications</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other Services</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Mining and Oil</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total due to rounding</td>
<td>98</td>
<td>98</td>
</tr>
</tbody>
</table>

Adapted from Carley and Marginson, (2000: 7)

The sectors where there has been most activity in the formation of EWCs are those of metalworking, food and chemicals (Carley and Marginson, 2000: 7).

There is not a pattern of low Article 13 success being followed with a high number of Article 6 agreements. The situation seems to be one of continuity, rather than catching up, so those sectors with high Article 13 “strike rates” appear subsequently to have had high Article 6 “strike rates” (EWCB, 22, 1999: 10-13). Overall the evidence suggests a continuation of a high level of activity in sectors and countries with an initial success.

Whilst the number of forums is significant, the total number of councils relative to the potential is low, considering that the legislation is now 10 years old. There is widespread deviation from the requirement in the Annex for forums to be a single body of representatives with whom management meet. That may be a managerial control technique or perhaps due to a sense of uncertainty. The “strike rate” for achieving agreements varies considerably between countries due to compatibility with
industrial relations systems and the distribution of sectors and patterns of ownership. As one would expect, the forums are more prevalent in densely unionised sectors of the economy with similar patterns for voluntary and statutory agreements.

2.7 Conclusions

This chapter has analysed the influences of proponents and opponents of the legislation, which was set against a background of economic structural change. The EWCD (1994) had a long evolution before it was enacted, due to fear and anxiety on the part of the business community, afraid of a form of Germanic co-determination, which would challenge managerial authority. Those arguing for legislative intervention wished to protect employees in a unit, in any given EEA country, who were affected by unknown, unseen and uninfluenced business activity elsewhere in the community. The extent to which that has been achieved for employees in British companies remains to be established. The eventual legislation allowed for the possibility of considerable latitude in transposition and negotiation of the detailed content of agreements. That latitude has resulted in differences concerning the formation of forums, their processes, governance and operation.

Once the legislation was agreed business interests rapidly moved from alarmist opposition to a pragmatic realisation that this was an opportunity to control a forum and shape it in the company’s image. The EC underpinned its approach with a number of principles, including subsidiarity and flexibility, which gave national legislators and management some influence over the impact on industrial relations. The employers’ organisations have been broadly satisfied with the control they have been
able to exercise over forums and their restricted role. Conversely, whilst trade unions were pleased that something tangible had been achieved after 25 years, they were pessimistic about what they eventually received. Variable factors may constrain and introduce contingency to EWCs; these impact on the ability of forums to influence industrial relations in British companies and the working lives of employees. The options available are relative to the systems in which they operate and the nature of the business, which in turn influences those choices that are made.

Phases of activity for the agreement of forums have been identified and analysed. Some pre-directive forums were influential in shaping events (Rivest, 1996) and were followed by voluntary agreements and, finally, statutory agreements which have not been as substantial in number (Lecher et al., 1999; 2001). It may be argued this was because large, densely unionised companies had already achieved agreements or it could be argued it is due to limitations in the directive. Practitioners, politicians and theorists will argue that some managements were keen to negotiate voluntary agreements, as they were concerned by the prospect of compliance with a prescriptive formula and resented the prospect of trade unions forcing unwelcome action on them (Carley and Marginson, 2000; Hall, 19994a; Marginson, 1998; Rivest, 1996; Schulten, 1996). This then gave trade unions their opportunity to achieve agreements which improved those terms set out in the Annex. On the one hand there was a drive to keep the "process under management's influence" (Schulten, 1996: 313); on the other a stretched union movement adopted a "quick and dirty" approach to obtain a deal with management (Wills, 1998, Paper 3: 31). The division of opinion over the enactment of the directive is mirrored in a second conflict over the relative
contribution of EWCs and their worth. This second part of the debate, which raises a
number of research questions, is explored in the next chapter.
3.0 Limitations of the existing debate

3.1 Introduction

The previous chapter discussed conflicting views concerning the desirability of the enactment of the EWCD (1994), (Appendix 1) and its implementation. This chapter will analyse further conflict of opinion based on evidence from the operation of forums. It will explore the debate between those theorists for whom there is an optimistic interpretation of developments and potential and those with a more sceptical theoretical view (Wills, 1997; 2000). Much of the literature concerning EWCs makes optimistic predictions for their future development and some of the literature has an enthusiastic, almost missionary flavour (Lecher et al., 1999; 2001; 2003; Marginson 1996a; 1998; 1999): that is substantially based on quantitative comparative surveys. It is envisaged by some academics and trade unionists that EWCs will develop into a catalyst to transform the relationship between representatives and management in multi-national companies: this has contributed to the advocacy in some of the literature (Marginson and Sisson, 2002). Clearly, if such developments occurred, they would have an impact on industrial relations in British companies: for instance, many employees in multi-national companies are currently subject to some form of plant bargaining. However a question remains concerning the impact of EWCs on people at work today.

The advocates for EWCs, those practitioners, politicians and academics who take an optimistic view of their potential, see forums adopting company-wide understandings that could set benchmarks or norms or frameworks which may influence national and plant collective bargaining (Carley, 2000). According to Marginson and Sisson
(1998a) there is potential for the co-ordination of framework agreements between multi-national companies but the pace and speed of any such developments would be highly variable.

Optimistic academics such as Marginson and Sisson (1996c) consider that multi-national companies want to rationalise their operations across the EU. They foresee a modest convergence "in working practices and employment conditions from one European country to another" and consider that EWCs would have a role in policy formation. They expect enterprise and forum agreements to provide an infrastructure for "arms length bargaining", whereby agreements influence those at other multi-national companies in the sector (Marginson et al., 1998b; Marginson and Sisson, 1994; Sisson et al., 1992). However, the pertinent question concerns the current effect and influence of EWCs on industrial relations in British companies.

Much of the literature consists of wide-ranging comparative quantitative surveys of large numbers of forums, conducted by questionnaires, with the analysis and comparison of agreements in tabulated form. Issues addressed have included an analysis of councils by sector, form, scope, structure, role, and methods of governance. Extensive reports have been commissioned, for instance, by the European Foundation for the Improvement of Living and Working Conditions and DTI and examples of the questionnaire approach include work by Carley and Marginson, (2000), Wills, (1998, Paper 3) and Weber et al., (2000). On the other hand, there has been a neglect of a qualitative approach to the subject. Whilst there has been some analysis of variable factors within multi-national businesses that influence processes that occur within councils, there has been a neglect of how forums
operate. There is a need to focus on comparative detail through the analysis of case studies and the interviewing of key participants. The contribution that forums have made can also be explored through a better understanding of the perspective of those who have not been involved directly in forum meetings, namely other managers, representatives and employees. A qualitative approach is required to address the question of what EWCs have contributed to industrial relations in British companies and what they have delivered for managers and “ordinary” employees.

In addition to the debates above, academics have discussed the diverse character of EWCs and have sought to account for such differentiation by creating a continuum of categories into which forums might be placed. The internal dynamics of forums strongly influence both their ability to develop and their constituent processes. The characteristics of EWCs tend to be towards one of two directions on a continuum (Marginson, 1998a: 16; 1999: 272): in one direction they could be seen as making some contribution to industrial relations in British companies and being of use to employees. In some instances, in the opposite direction, they could become a symbolic and ritualistic annual formality. Once again, depending on the point on the continuum, evidence can be cited for a positive and optimistic interpretation or for a more sceptical analysis. The internal tensions and dynamics in EWCs and the host business determine the point on the continuum, the direction in which the forum may be heading and what that means for the company’s industrial relations.
3.2 Evidence from analysis - optimistic and sceptical theoretical viewpoints

The optimistic literature concerning EWCs analyses the current situation and predicts a potentially significant future developmental role. This school of thought believes that forums can avoid "capture by capital" (Martinez and Weston, 2000). The first part of table 3.1 summarises this view and the second the sceptical analysis.
<table>
<thead>
<tr>
<th>Optimistic theoretical view</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delayed and improved decision-making through consultation</td>
<td>Bercusson, 1997.</td>
</tr>
<tr>
<td>The value of trade union links</td>
<td>Hancke, 2000</td>
</tr>
<tr>
<td>Potential for eventual development of European-level bargaining</td>
<td>Marginson and Sisson, 1996a.</td>
</tr>
<tr>
<td>Positive contributions to the development of corporate life</td>
<td>Muller, 1997; 1998.</td>
</tr>
<tr>
<td>Changes outlook in the business and encourages a European mentality</td>
<td>Pedersini, 1998.</td>
</tr>
<tr>
<td>A valuable role in restructuring at BMW</td>
<td>Whittall, 2000</td>
</tr>
<tr>
<td>Other optimistic perspectives.</td>
<td>(Also Jenson et al., 1997; Keller, 1999; Lecher et al., 1998; Lecher, 1999; Marginson and Sisson, 1998a; Marginson, 1999)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sceptical theoretical view</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of real consultation as opposed to information and debate.</td>
<td>Wills, 1997; 2000</td>
</tr>
<tr>
<td>Management report decisions that have been made</td>
<td>(Also Ferner and Quintanilla, 2002; Ramsey, 1997; Streeck and Vitrols, 1993; Streeck, 1997a)</td>
</tr>
<tr>
<td>Poor organisation and co-ordination of representatives.</td>
<td></td>
</tr>
<tr>
<td>Weakness and isolation of EWCs, divorced from other levels of procedures and trade unions.</td>
<td></td>
</tr>
<tr>
<td>Difficulties with closures and relocation of work due to competitive tensions.</td>
<td></td>
</tr>
<tr>
<td>Failure to grasp opportunities for international exchange.</td>
<td></td>
</tr>
<tr>
<td>Domination of the EWC by delegates from one country.</td>
<td></td>
</tr>
<tr>
<td>Problems due to ill-fitting and contrasting domestic representational structures.</td>
<td></td>
</tr>
<tr>
<td>Representatives find it difficult to change from local to EU level issues.</td>
<td></td>
</tr>
<tr>
<td>Without national level works councils many UK delegates lack perception of the &quot;big picture&quot;</td>
<td></td>
</tr>
<tr>
<td>Language and cultural barriers.</td>
<td></td>
</tr>
</tbody>
</table>
The government and TUC have commented positively on the contribution made by EWCs to industrial relations in British companies. The DTI argues that EWCs can have many positive effects: an increase in trust, and more involvement and a greater appreciation of the reason behind decisions. Moreover, there is the potential creation of a positive culture and a demonstration by the company of a level of care for employees (EWCB, 28, 2000: 19; Weber et al., 2000). That view has been endorsed to some extent by research undertaken by the TUC which has argued there are positive benefits resulting from EWCs. It suggests that 72% of representatives gained a better understanding of businesses, commenting that some were better informed by senior management than local management and representatives thought they could discover more about the future (Labour Research, 2000: 60-61). However the views of “ordinary” employees and managers who have not been directly involved seem to have been neglected.

Some companies are open and positive about consultation and involvement, where there may be more potential for EWCs to contribute to industrial relations processes concerning, for instance, acquisitions and restructuring (European Metalworkers’ Federation and Cranfield University, 1999). Conversely, many companies do not have such a constructive environment. The optimistic view sees a close relationship between multi-national trade unionism and the relatively new institution of the councils. It has been argued that the potential of EWCs was demonstrated by the reaction to Renault’s closure of the Vilvoorde Plant (EIRO, 1997: 2-3). Understandings or minutes of agreements at EWCs could establish frameworks, which may influence collective bargaining: the issues would be those with universal application, equal opportunities, health and safety, training and environmental
standards (Carley, 2000, Lecher et al., 2001: 128-129). A small number of companies, such as General Motors, have concluded framework agreements which Sisson (1999: 10) cites as an example of the "growing significance of cross-national comparisons".

Some practitioners, politicians and academic theorists see the potential for coordination of enterprise and framework agreements between multi-national companies (Marginson and Sisson, 1998a), though the pace of any such developments would vary. Other optimists suggest a potential for an upward extension of national rights and regard current problems as growing pains (Dolvik, 1998; Lecher et al., 1998; Marginson and Sisson, 1996a). Optimists have suggested that networking could result in a form of "arms length bargaining" over a long period of time in a fairly surreptitious and uncoordinated way (Marginson et al., 1998b; Marginson and Sisson, 1994; Sisson et al., 1992). It may be argued that to succeed EWCs must develop a European identity and sustain links with national systems, whilst at the same time operating at a European level (Lecher et al., 2001: 131; Muller-Camen, 2001: 436). Therefore, EWCs dealing with information and consultation could become "an active strategy of employee representation" (Lecher et al., 1999: 241). However, if the optimistic view prevails, EWCs may lose sight of their intended purpose, which is to act as an "information intermediary" for employees (Lecher et al., 1999: 218). The directive states in Article 1 that the purpose is to "improve the right to information and consultation".

Certain practitioners, politicians and theorists take those views further and identify a range of potential outcomes for EWCs. For example, Lecher et al., (1999) see three directions for the development of EWCs. The first is pessimistic and the other two are
cautiously optimistic. First, the status quo can prevail and the social actors can merely allow the EWC to stagnate (p. 218). The EWC could be seen as a travel opportunity for representatives: it may be passive or even just a management mouthpiece (p. 141) like the McDonald’s EWC (Royle, 1999). Second, the EWC through the standing steering committee can be independent of the employer, kept well-informed and be recognised for negotiating purposes; a pessimistic note is sounded in that management may lose interest and the role of the EWC as a consultancy body could therefore be reduced. The third way is to achieve consensus in negotiation over specific issues. Where that is achievable the EWC would become an industrial relations institution through its involvement in certain “soft” topic areas. It is argued that the EWC may establish spheres of work and hence may be able to move to a higher level or the harder edged issues discussed in the previous paragraph. The optimistic views are often forward-looking.

The optimistic view usually foresees developments of significance in the future, for instance Europeanisation may in the future take the form of social dialogue, or alternatively its development could be enhanced through linking both enterprise agreements and activity at EWCs (Cressey, 2003: 536; Keller, 1999: 341). In this way EWCs could be seen as protected but isolated in a deregulated and fragmented industrial relations system (Ross and Martin, 1998; 1999; Schulten, 1996). However, vibrant activity will continue at national sector level in mainland Europe, where there are many non multi-national companies and multi-national conglomerates, of which some would not necessarily fit into a sector framework (Ferner and Quintanilla, 2002). EWCs vary and so will the contribution they make to industrial relations in
British companies and to working lives, but managerial consent would be required for them to make a difference.

Interaction through EWC framework agreements at sector level will only happen if managements are acquiescent to its development. In other words, that would happen if such agreements are seen to contribute to objectives of a European-wide human resource strategy (Waddington et al., 1997). Trade unions would need to act in an integrated and co-ordinated manner and manage the tensions between representatives, unions, countries and levels (Jaeger et al., 2000; Jenson et al., 1999; Lecher and Rubb, 1999: 20; Miller, 1999: 347-348). That leads to questions concerning the extent to which unions are capable of achieving synergy. There is a divergence of opinion between the sceptical and pessimistic view.

The sceptical view is that EWCs appeal to multi-national companies as a means of promoting a European-wide human resource management strategy. A European level of company-based regulation fits well with the global trend towards the decentralisation of industrial relations. It would leave strategic control at the centre of a multi-national company, with a move towards co-ordinated plant-based bargaining. Unit level bargaining is at present significantly less common in the rest of Europe than in Britain and its widespread adoption would consequently weaken national or sector bargaining (Streeck and Vitols, 1995; Lecher et al., 1999, 2001).

It has been argued that EWCs are not European bodies but an extension of national systems of the multi-national company to a European level (Gilman and Marginson, 2002; Harzing, 2000; Lecher and Rubb, 1999). The ETUI (1997) also saw EWC
agreements as being European extensions of national agreements. For instance, USA companies now have the strongest country of origin or "home effect", whereas 10 years ago it was the Japanese (Muller-Camen et al., 2001: 436). Many multi-national companies follow "home base" bargaining conventions in their foreign subsidiaries, so the host country influence remains strong (Muller-Camen et al., 2001: 445-6). However, the effect of the pre-existing structure of a multi-national company has been neglected by researchers (Lecher et al., 2003). Whether the business is a diverse conglomerate or, alternatively an integrated unit with a single product, may influence fundamentally the interaction and feedback.

The pessimism of business on the other hand is often based on concern whether value is added, so requirements are interpreted in a restrictive way to minimise costs. As a result, some firms focus on delivering information whilst evading questions and limiting access to facilities (European Metalworkers' Federation and Cranfield University, 1999). The influence of EWCs can "be limited by the spacial and temporal isolation of the EWC" (Wills, 1998, Paper 3: 32): in other words they are not always consulted by management over strategic issues, nor do they necessarily promptly receive information (Pedersini, 1998). Indeed, some representatives have complained of "the lack of genuine consultation, the poor organisation and co-ordination of the employee representatives and the weakness and isolation of EWCs" (Wills, 2000: 92). Some studies have further explored that view.

The Involvement and Participation Association (IPA), (1998: 5) supports the principles behind EWCs but has identified, in a study of 26 EWCs, practical issues that impede development. Many companies experienced difficulty in persuading
delegates that the EWC was a new forum for multi-national issues and not another level of negotiation or of co-determination. Inevitably it was found that representatives tried to move management towards negotiation. It was reported that some delegates could not respond to the new multi-national agenda and proceed beyond the domestic issues (Lecher et al., 2003); other delegates expressed concern over their lack of power in strategic issues. Representatives in some instances did not appreciate any potential in EWCs and had to learn how to exploit opportunities for developing the formal role of consultation (Stirling and Tully, 2002). The chief difficulties encountered by representatives in the study were two instances of a major decision taken without consultation, and also the need for more training. The study emphasises the requirement for adequate feedback to employees about the proceedings otherwise the forums will be meaningless. It disappointingly referred to instances of "a couple of dozen extremely well-informed employees but very few people outside the EWC were any the wiser" (p. 7). Wills (1998, Paper 3: 32) similarly argues that EWCs provide little scope to help manage change, or increase productivity, so many in management have adopted negative tactics and some trade unionists see little potential.

Sceptical theorists have identified negative tactics used by management to curtail the potential of EWCs (Weston and Martinez Lucio, 1997: 775-776; Wills, 1998, Paper 3: 32). These include the imposition of severe time limits, a rigid interpretation of the EWCD (1994), manipulative use of training and management may form a coalition with certain unions giving them privileged influence and thereby dividing union representatives (Miller, 1999: 347-348). Trade unions are relatively weak at a multi-national level and employers see no strategic advantage in developing EWCs beyond
the statutory requirements for information and consultation. The sceptical view of EWCs is that there are structural and cultural forces which impede multi-national representation, so it is likely to remain fragmented and pluralistic. Pessimists argue that optimists always talk about what EWCs may achieve at an unspecified point in the future and not the actual reality (Cressey, 2003: 536). It is important that the current reality for industrial relations in British companies is established.

In conclusion, the optimistic theoretical school of thought sees an opportunity for some forums to develop into industrial relations institutions of significance. It is considered that minutes of understanding will emerge concerning certain types of activity, which will be cascaded to be adopted and implemented locally: a small number of such framework agreements have emerged. In the long term it is predicted that such understandings at forums in a given sector, together with enterprise agreements, will start to influence each other, so that European sector norms could start to emerge (Marginson et al., 1998b; Marginson and Sisson, 1994; Sisson et al., 1992). Conversely a number of theorists negatively see forums as part of a managerial European human resource strategy (Streeck and Vitols, 1995; Lecher et al., 1999; 2001); others see then as subservient to the “home” country (Muller-Camen et al., 2001). A lack of perception and reorientation by representatives has been seen, together with the use of managerial control techniques (Lecher et al., 2003; Weston and Martinez Lucio, 1997). For management there has been a view that there is an absence of added value (Wills, 2000). It is evident that EWCs will vary in nature and effectiveness so, having considered some of the literature concerning forums in general, it would be useful to examine the techniques used to differentiate between them.
3.3 Dynamic institution or an annual ritual?

Academics have argued that forums can be viewed on a continuum: at one end are EWCs developing a significant role as a dynamic institution; at the other are those with a symbolic or ritualistic role as an annual formality (Marginson, 1998a: 16; 1999: 272). Once again optimistic and sceptical theoretical views can look for supportive data: typical characteristics are illustrated below in table 3.2.

Table 3.2 Characteristics of EWCs

<table>
<thead>
<tr>
<th>Characteristics of formal institution-annual ritual</th>
<th>Characteristics of a dynamic institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy evening meal whilst seated with national managers.</td>
<td>Good links between delegates.</td>
</tr>
<tr>
<td>No translation facilities at the meal.</td>
<td>Mechanisms for communicating and resolving differences.</td>
</tr>
<tr>
<td>Brief pre-meeting before EWC where delegates focus on national situation.</td>
<td>Communication of proposals and development of trust.</td>
</tr>
<tr>
<td>Ineffective select committee.</td>
<td>Effective use of pre-meetings, post meetings and extraordinary meetings.</td>
</tr>
<tr>
<td>No consultation over agenda.</td>
<td>Effective use of select committees</td>
</tr>
<tr>
<td>Presentations and videos from management.</td>
<td>Common projects and working groups.</td>
</tr>
<tr>
<td>Information in only one language.</td>
<td>Joint training courses.</td>
</tr>
<tr>
<td>Unstructured/scripted questions.</td>
<td>Delegates drift away without a debrief.</td>
</tr>
</tbody>
</table>

Adapted from Labour Research, (2000), with additional material.

Thus, Royle (1999: 343) argues that EWCs have a tendency towards being either an active institution or just a passive symbol and procedure. Fitzgerald and Stirling (2004: 179) discuss forums providing, on the one hand, “added value” in contrast to those at companies which have “reluctantly acquiesced” and have done the minimum. Marginson (1999: 272) suggested they could be an ongoing working body, with independent employee co-operation, in which case the EWC could be regarded as a valued institution to representatives and management; although once again employees themselves are overlooked. The EWC could also be seen as a symbolic formal body, with minimal influence on management (Marginson, 1998a: 16). Those in Marginson’s second category may not even aspire to the standards that are set in the
Subsidiary Requirements. Lecher et al., (2001: 52-59) produced a similar classification: symbolic forums, where information is exchanged; forums with some independent activity; finally forums with participative activity. According to Lecher et al., (1999: 241) EWCs will gain some independence from management but to varying degrees, which they then proceed to classify. They conclude for instance that “take off” has been achieved by a council, the EWC is “flying low”, it is “airborne”, take off has been “obstructed”, or has been “delayed”, and so on.

Marginson (1999: 256) takes the concept further with a model to evaluate the potential for EWCs, under the terms of Article 13, to develop into valued institutions. He suggests two factors. First is the extent to which there is a trade union role, (similarly Schulten [1996: 317-318] identifies the role of representatives as crucial, especially in the face of managerial opposition). Marginson (1999: 275) argues that trade unions have secured a presence in a majority of EWCs but notes they have not been so successful in companies with Article 6 agreements. He attributes the difference to the nature of SNBs. However, on the other hand, Gilman and Marginson (2002: 48), argue that Article 6 agreements are better written, due to “a learning effect”, and hence are more likely to create active councils in spite of some marginalisation of trade unions. Unfortunately well-written agreements do not necessarily result in effective processes, so analysis of comparative detail about the actual operation of the forums is needed to understand the nature of existing practices. Marginson’s second argument (p.256) concerns the ability of a forum to sustain independent activity, as research uncovered considerable variation (p. 276). Schulten (1996: 317-318) comments in a similar vein and suggests that where a EWC has been established it may become a valued institution; but when it just meets annually,
without stimulating networking among the representatives, it is merely a formal procedure with an element of an annual ritual. The level of activity in mainland Europe achieved by a EWC depends on its connections to works councils and trade unions at sector and national level. In Britain, in the private sector, structures often do not exist at sector and national level and there is a large void between plant and multi-national level. Marginson (1998: 12) goes further and states that active EWCs have the “potential to realise new forms of employment regulation at European level”, which is a major challenge for British trade unions (Jaegar et al., 2000).

The extent of networking and the role played by a dominant trade union may be significant in determining development and potential (Hall et al., 2003; Muller-Camen et al., 2001). Muller (1997: 47) suggests that EWCs may be passive institutions, which at best enable representatives to co-ordinate plant or national bargaining; alternatively they could network to create an infrastructure and be the focus of complex European industrial relations. Many EWCs seem to have an international quality but a parent-based focus (Gilman and Marginson, 2002; Hall et al., 1995; 2003). Other factors affecting networking could be the ability of representatives from headquarters to influence proceedings (Lecher and Rubb, 1999: 20-22). Numerous factors impact on the ability of forum members to network and to influence industrial relations. This is not surprising as they usually meet annually and are subject to the legal limitations of the directive.

It has been argued that the characteristics of individual EWCs enable them to be placed at a point along a continuum. They may be seen as either an annual ritualistic symbol, or alternatively as an ongoing and dynamic institution with the potential to
develop, or somewhere in between (Lecher, 1999; Marginson, 1999; Schulten, 1996). This discussion and analysis has explored the characteristics which may influence an individual forum in its development or curtailment. However, the forum's internal tensions and dynamics may enable or constrain its functions and influence its location on a continuum.

3.4 Internal dynamics

Interaction between representatives and management at a EWC revolves round the conflicting economic objectives of the company and the social interests of employees, which will create tensions that influence internal dynamics. Those dynamics of EWCs influence both their ability to develop and their processes, which almost by definition deal with tactical and operational matters rather than strategic decision making (Keller, 2002: 424-425). There is a tension in any organisation, between employee involvement concerning the decentralised control of operational matters and centralised strategic co-ordination for making decisions (Salamon, 2000). Rivest (1995: 3) suggests that the internal dynamics of EWCs can be seen, in the main, as a result of the national employee relations systems, which Perlmutter (1969) referred to as the consequence of an ethnocentric approach. However, Rivest (1996) analysed the internal dynamics and found a relationship between the enterprise, national system and supranational levels, which influenced the decision-making process in EWCs. The challenge for EWCs is to redress the balance in terms of information and consultation, in spite of the strong pull of national systems, prevailing management style and European-wide human resource management strategy. In order so to do internal mechanisms have to work effectively. The interaction between the EWC and
other forms of representation is important, since if they become isolated their relevance and dynamism is eroded (Wills, 1998, Paper 3). This is an issue somewhat neglected in the literature.

It has been suggested that EWCs have four internal tensions (Miller, 1999: 347-348), or "fields of interaction" (Lecher et al., 1998; 1999: 77-78, 2001: 47-52): the employee representatives in the EWC and management; amongst the employee representatives themselves; between the EWC and industry and/or local representative structures; and also between the forum and trade unions. To those internal tensions may be added the neglected issue of the interaction between central and local management (Marginson et al., 2001). These "fields of interaction" could be considered as fault lines, through which the internal dynamics of EWCs work with the potential for tension which may spasmodically cause a twist or a snap. The role of employees, trade union members, representatives and managers who are not directly involved has been overlooked and neglected.

The "fields of interaction" between EWC representatives may be fragmented by conflict but representatives have the opportunity to network, as mentioned in the previous section, and thereby use a strategy of multi-national comparisons (Marginson and Sisson, 1996: 16). It has been argued that such an approach may counteract managerial use of "coercive comparisons" and help manage "social dumping". There needs to be an exchange of information and inclusion of employees in the network, otherwise it will not be possible for them to evaluate or understand its role. The view of employees about the contribution of EWCs to industrial relations in British companies has once again been neglected by researchers.
EWCs require an infrastructure to enable the interaction of the internal dynamics to take place and representatives need access to information between official meetings (Muller, 1997: 37-38). As Lecher notes in an interview with Muller (1997: 37-38), EWCs need ideally a full-time facilitator to focus on European tasks, e.g. the chair for employee representatives. In the same interview he comments on the importance of development of a network of contacts to facilitate independent interaction (p. 39). If the EWC can make

*... a constructive contribution to the solution of concrete problems, the EWCs show the employer-side that it is worthwhile to include their viewpoints into the decision-making process.* (p. 39)

Without the functioning of internal dynamics forums cannot make an effective contribution to industrial relations in British companies. It is clear that the impact and benefit on those not involved directly has been neglected: employees, trade union members, representatives and managers. The relationship of forums to other company industrial relations institutions has largely suffered the same fate.

### 3.5 Conclusions

This chapter has raised numerous questions and issues that are addressed throughout this thesis. The optimistic theoretical view, which foresees developments of significance for EWCs has been largely based on comparative quantitative surveys of large numbers of forums. It has neglected the impact of the forums on company industrial relations. The question of what EWCs mean to people currently at work, who are not directly involved, needs to be addressed. Practitioners, politicians and
academic theorists have looked along a continuum at forums that appear to be
developing and have made predictions about an eventual indirect influence on other
multi-national companies in a sector. However, a question arises concerning the
current reality for job security and the effect of “coercive comparisons” and “social
dumping”

Important questions concern compliance by management with the law and a
minimalistic approach, or whether EWCs are, in some instances, a dynamic institution
that makes a difference. The forums may be seen by some as remote from the real
world of plant industrial relations, whereas perhaps to others the networking alone
makes an invaluable contribution. It remains to be established how they really
operate.

The nature and structure of a particular business will affect the ability of a forum to
develop a role and the internal dynamics may decisively impact and constrain or
release its potential (Lecher et al., 1999; 2001, Hall et al., 2003). Whilst the literature
has considered the pattern of forums by sector, it has had less to say about the impact
of the structure of a business. Conglomerates and divisionalised businesses may find
the constructive use of forums difficult, due to the absence of a common business
language. The constantly changing shape of some businesses may render certain
forums potentially ineffective. The antipathy of some management to forums may
make their development problematic: it is suspected that American-owned firms could
be particularly difficult.
The ability of trade unions to work together effectively on a multi-national basis will vary and be set against numerous challenges to manage conflict (Muller-Camen et al., 2001). The application of managerial control techniques to stifle anything challenging has also been identified (Miller, 1999; Weston and Martinez Lucio, 1997). The question of how trade unions can overcome such issues needs to be addressed.

However, this chapter has raised a number of research questions about the extent to which forums have met the almost evangelical hopes and aspirations of two groups of advocates: first, those who fought for them for so many years and, second those who have written of their potential. Have employees gained access to information and consultation, giving them a greater voice or enhancing or their dignity at work? Have the forums influenced job security in multi-national companies through unifying representation? What does an ordinary employee think such forums achieved for their conditions of service? Do managements see forums as a venue to hold them to account? Are they just another conduit for the human resource strategy? In conclusion have forums made a difference to people at work who are not involved directly?

There are two possible answers to the question of the impact of forums on industrial relations in British companies. First, there is an optimistic view of what EWCs have achieved and of their potential. It is apparent such views have often been based on extensive quantitative data. Second, there has been a more sceptical analysis of the evidence. The question arises whether EWCs can provide an effective form of indirect employee involvement, which enables employees in British companies to understand and influence the operations of multi-national companies.
Having analysed and discussed the literature a number of questions have been identified, together with methodological shortcomings in the way previous research has been undertaken. Those questions raise fundamental issues about the effectiveness of the EWCs and the contribution they have made. To address those issues and questions, a methodology is discussed in the next chapter.
4.0 Methodology

4.1 Introduction

This chapter aims to identify, justify and explain the methodological approach adopted in this thesis. The aims of the thesis were achieved through a longitudinal analysis of six case studies, primarily through using semi-structured interview schedules supplemented by secondary material relating to the forums and companies. The initial interviews, in 2001, produced data in respect of the structure of businesses, objectives and processes, together with perceptions of the impact of forums on industrial relations. The interviewees represented two of the key stakeholders in EWCs: management and union or employee representatives. The second set of interviews, in 2004, involved a broader cross-section of people and explored changes that had taken place and the methods for engaging and communicating with employees and managers. In addition questions were asked about the impact of forums on the working lives of individuals and the company's industrial relations.

This chapter will discuss the selection of methods and the reasons behind those choices together with the identification of business sectors and the companies for case study analysis. Specifically this chapter will analyse the construction of the semi-structured interview schedules and the issue of confidentiality. Some reference will be made to an audit of company documentation. In particular the selected businesses and interviewees will be introduced and placed in context. The next section will consider the choice of research design.
4.2 Research design

The research has to provide an action plan to translate the questions into a conclusion. Care has to be taken in relation to the level of researcher control over behavioural events relating to fieldwork and the precise wording of the research question (Yin, 2003). Epistemology is concerned with the theory of methodology of knowledge and there are two approaches: the quantitative and the qualitative (Bryman, 1988). The quantitative approach is linked with surveys such as questionnaires, according to Bryman (1988) and Golton (1997) and is useful when studying samples from large populations. There has been a consensus, which needs to be challenged, among academics that the methodology to adopt in relation to EWCs is a quantitative approach.

Much of the literature concerning EWCs consists of comparative quantitative surveys of forums conducted by questionnaires, with results in a table that does not tease out the detail of what is actually taking place. There has been neglect of a qualitative approach which has led some academics to express concern. Martinez Lucio and Weston (2000: 212-213) state:

*Methodologically, the study of EWCs needs to go beyond the content of agreements, their structure or their pattern of bargaining, no matter how important these issues.*

The qualitative approach seeks to interpret through analysis of perceptions and motivation and is linked to observation, interviews and case studies. Such methods have been deployed in this thesis. There are a number of advantages, which Bryman (1988) and Golton (1997) identify, such as an ability to view events from the
interviewee's perspective while noting that descriptions are time and context
dependant. They also refer to gaining an understanding of social processes and to the
care needed with the frames of reference for respondents. Academics have neglected
the comparative detail of how forums operate, through analysis of case studies and
interviews with key participants, together with those managers and employees not
involved directly. A qualitative approach is needed to obtain the detailed information
to find what EWCs have contributed to industrial relations in British workplaces. The
advantage of using interviews in preference to questionnaires is considered below.

Interviews provide the opportunity to probe and explore experiences so as to establish
the reality of events. A full and detailed response may be obtained, unconstrained by
the space on a form or by time limits for completing a questionnaire. Bell (1993: 51)
noted that one benefit of the interview is:

...its adaptability... (where a) ...skilful interviewer can follow up ideas, probe
responses and investigate motives and feelings, which a questionnaire can never
do.

A questionnaire was not pursued because it was considered unlikely there would be a
useful response rate. For instance Wills (1999) sent questionnaires to 240 companies
and received 34 replies (a 14% response rate), even after sending reminders.
Reponses such as “yes” and “no” often produce replies that are distorted and obscure
the detail and a tick box approach may yield little of value. It is argued that the
methods adopted in this thesis would avoid problems that have affected other pieces
of research into EWCs, such as over-reliance on postal questionnaires (Nakano, 1999;
Wills, 1999), snap-shot interviews (Weber et al., 2000), or problems in respect of
forums having been too recently founded and having had too little practical
experience of operation (Lamers, 1998; Lecher et al., 2001). The next section will consider the selection of companies as case studies.

4.3 Selection of case studies and target interviewees

It was necessary when identifying business sectors to obtain a representative selection of case studies. The research was aimed at companies based in Britain, steeped in the Anglo-Saxon tradition of industrial relations and with a head office, or a subsidiary head office, in the UK. On the other hand the origin of parent companies was much more diverse, which introduced some ideological negativity from American parent companies and, in contrast, a predisposition to the concept from a Japanese business. To produce indicative data the sample was reasonably representative of the total body of EWCs. However, other variable factors had to be considered.

To gauge the impact on industrial relations in a company it was important to include forums of varying levels of maturity, as divergences in evolutionary paths were revealed. With the selection of case studies, a balance was struck between the inclusion of EWC agreements originating from Article 13 (voluntary) and those under Article 6 (statutory) of the EWCD (1994). To understand the processes in forums in 2001 and to obtain a balanced view of processes and perceptions of the impact of the forum, a senior representative for both of the social partners was interviewed in each case study company. To achieve access, contact had to be made with a facilitator who could then speak to appropriate interviewees. It was considered desirable, in the interests of exploring a balanced range of perceptions and motivating factors, to include a non-unionised business, which increased diversity and enabled the
exploration of an additional dimension. For similar reasons a joint venture business was included, in order to examine potential managerial tensions, though by 2004 that business had reverted to sole ownership. In 2004 the objective was to interview the same parties but to broaden the analysis by including three “ordinary” employees, together with three representatives and managers not involved directly. Inevitably by 2004 some major changes had taken place including a business sale, a pending sale, an imminent closure, structural change and variation in the nationality of parent companies. A summary of factors is offered in table 4.1.

Table 4.1 Analysis of case study companies

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Founding Year</th>
<th>Type of agreement</th>
<th>Non-union</th>
<th>Joint venture</th>
<th>Nationality of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass</td>
<td>1995</td>
<td>A13</td>
<td>-</td>
<td></td>
<td>UK</td>
</tr>
<tr>
<td>Textiles</td>
<td>1996</td>
<td>A13</td>
<td>-</td>
<td></td>
<td>Japan</td>
</tr>
<tr>
<td>Food</td>
<td>1999</td>
<td>A6</td>
<td>-</td>
<td></td>
<td>USA</td>
</tr>
<tr>
<td>Metalworking</td>
<td>1996</td>
<td>A13</td>
<td>-</td>
<td></td>
<td>USA</td>
</tr>
<tr>
<td>Conglomerate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mineral</td>
<td>1996</td>
<td>A13</td>
<td>-</td>
<td>Yes dissolved 2003</td>
<td>2001 Switz./USA 2004 Germany</td>
</tr>
<tr>
<td>Wool</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>USA</td>
</tr>
<tr>
<td>Entertainment</td>
<td>1999</td>
<td>A6</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above lists the sector in which each case study company is based, the level of maturity of the forum or whether the forum is a voluntary agreement (Article 13) or a statutory agreement (Article 6). A non-unionised service sector business is identified, as is a joint venture which was subsequently dissolved. In the next column the nationality of parent companies is indicated: the USA and UK both have 15% of EWCs and the Swiss (6%) (ETUI, 2001; EWCB, 32, 2001: 3). The Swiss/American joint venture had been sold by 2004 to a German firm: that country has 18% of forums.
Those sectors with most activity in the formation of EWCs are metalworking, food and chemicals (Carley and Marginson, 2000:7) and these are represented in the selection of case studies. Approximately one third (35%) of Article 13 EWCs are in metalworking, 17% in chemicals, and 3% in textiles (Marginson et al, 1998a: 18-19). For Article 6 EWCs, 10% are in services and 13% in the food industry, but the manufacturing figure is much higher at 82% for Article 13 and 74% for Article 6 agreements. The following section will discuss issues relating to primary research.

4.4 Primary research

The discussion of primary research includes the approach and processes adopted for the interviews in 2001 and 2004, the use of sources for documentation, the construction of interview schedules and issues of confidentiality. Finally, the interviewees from each business are listed.

4.4.1 Interviews

Semi-structured interview schedules were devised for 2001 and 2004, to evaluate and analyse forum processes and their impact on industrial relations. The interviews produced qualitative data, which Saunders et al., (2000) argue should be the outcome of the use of such a technique. The interview should be “...a conversation between interviewer and respondent with the purpose of eliciting certain information from the respondent” (Moser and Kalton, 1971:271). This is a technique that can be used to identify issues which may then be explored in greater depth: this was essential with research of this nature (Sekaran, 2000).
In relation to interviews, Saunders et al., (2000) identify four issues to be considered:

a) Reliability. It should be possible for another researcher to replicate the research and reach the same findings. With a semi-structured interview the issues that emerge are explored and the discussion recorded. With this research method, in each interview a basic framework of questions was followed with subsequent probing.

b) Bias. The attitude and approach of the interviewer may influence the replies of the respondent: factors such as trust and personal contact come into play. Borg (1981: 87) summarised a number of issues:

_Eagerness of the respondent to please the interviewer, a vague antagonism that sometimes arises between interviewer and respondent, or the tendency of the interviewer to seek out the answers that support his preconceived notions are but few of the factors that may contribute to biasing of data obtained from the interview... response effect._

The preparation for interviews and an initial explanation was an essential part of addressing bias. The aims of the thesis were described to key interviewees through telephone, e-mail or other written means to introduce me and the research. As Ely et al., (1991: 53) suggested

...a great concern of many... researchers is that of reaching for objectivity... observations can never be objective... this is because observation comes out of what the observer selects to see and chooses to not. All we can work for is that our vision is not too skewed by our subjectivities.

Bell (1993: 91) also argued that interviews can be “highly subjective and therefore there is always the danger of bias.” Gavron (1966: 159) offered a method of managing the predicament:

_It is difficult to see how this (i.e. bias) can be avoided completely, but awareness of the problem plus constant self-control can help._

I would argue that all reasonable steps were taken to address bias.
c) Validity. This should not be an issue, as the following quotation illustrates:

...the main reason for the potential superiority of qualitative approaches for obtaining information is that the flexible and responsive interaction which is possible between interviewer and respondent(s) allows meaning to be probed, topics to be covered from a variety of angles and questions made clear to respondents. Sykes, 1991: 8, cited in Saunders et al., 2000: 250.

The interaction enables issues to be explored and subtleties examined so the interviewer can be satisfied with the validity of responses and explanations.

d) Generalisation. The extent to which the findings may be extrapolated from the six British based businesses to a wider range of EWCs needs to be examined. Mitchell (1983) and Yin (2003) argue that case studies should be evaluated in terms of the concepts that emerge so therefore analytical generalisations may be drawn, rather than statistical generalisation. The statistical approach would be appropriate to the analysis of questionnaires and surveys, which were unsuitable for this research. With a case study the objective is to identify patterns and to answer the questions: hence its suitability for this research. Hammersley (1992) makes the point that there is no certainty that either survey questionnaire data or case study interview data can be the basis for generalisation. The problem of the validity of generalisation is inescapable whatever methods are chosen. However, Hammersley (1992) argues that empirical generalisations may be made but careful decisions have to be taken about the population to which they are attributed and the typicality of case studies. He suggests there are two ways to improve generalisation, both of which have been used in this thesis: first, to make reference to previously published information and, second, to use sufficiently diverse case studies. Some additional steps were taken to address the issue of generalisation.
The selection of interviewees is important as some interviewees were key informants, who had specialised knowledge, which would not have been available if the respondents had been just been randomly selected in the workplace (Jancowicz, 2000). The detailed semi-structured qualitative interviews identified the interviewees' perspectives and the context in which they operated. Interviewees needed to be managed in the light of their individual approach and level of knowledge, so as to enable understandings to be drawn and qualified generalisations to be made.

Inevitably a number of supplementary techniques were used to co-ordinate aspects of the research as well as secondary sources. The interview processes are considered below.

4.4.2 Interview processes, 2001 and 2004

Contact was initially made in 2001 with two companies through connections resulting from earlier research in 1997: Opaque Glass and Insulation. At Opaque Glass there had been a complete change of senior management and union representatives by 2001 but the links did provide some background knowledge. It was possible to revisit to complete a full set of interviews in 2004. At Insulation the manager and union representative had been interviewed four years earlier, so some links existed in 2001. However, the company had changed hands by 2004, the management and union interviewees had left and the company declined to participate. It ultimately proved possible to trace the union representative. Contact with a third firm, Sunshine Textiles, was facilitated by GMB and a full set of interviews was carried out in 2001 and 2004, including in 2004 some employees, representatives and managers not involved directly.
Two contacts with companies in target sectors were made through students who were employed by those firms. One worked in purchasing logistics at Tasty Food but had some contact with union convenors and human resource management. However, in 2004, the management interviewee declined to participate but other interviews proceeded, which included the union chair, three employees and three other union representatives. Repeated promises of access to three managers failed to materialise. Another student worked in human resources at Bright Lights and in 2001 had close contact with management and non-union representatives in an EWC. However in 2004 access was refused. Coincidentally a manager in human resources, at Bright Lights, had in 2001 just left a job at a metalworking conglomerate, Precision Instruments, which was in another target sector, where he had been an instigator in establishing the EWC. That led to a contact with a management representative at Precision Instruments and subsequently a union representative. However, by 2004, the business had closed and relocated abroad. It did prove possible to trace the former union chair to his new place of work. A total of 12 interviews took place in 2001 and 31 in 2004, making a total of 43. The environment in which the interviews took place and the time made available was influential.

The interviews all took place in the interviewee’s place of work which ranged from executive director suites to cold, unheated workshops. The interviews in 2001 with representatives typically lasted about three hours. In every case but one the interview was undertaken in a single meeting; in one instance the interviewee was called away to an urgent meeting. Managers were much more time-constrained than the representatives: sometimes meetings took place before, or after, the working day. In
some instances factual information from an earlier interview with a representative, was confirmed, to save a senior manager time. In the main the interviews with managers were a little shorter and had a sense of temporal urgency. In all instances but one, the employee representative was interviewed before the manager, which was due to logistical considerations. Exceptionally, at Precision Instruments, one interview was held immediately after the other; with the union in late afternoon and the next in the early evening. Uniquely in that interview the union representative was present when the manager was interviewed. That was something I could not control and it had no obvious impact. The former interviewees were contacted in 2004 as part of the second phase.

In 2004 union representatives were re-interviewed in five of the six forums including one instance where a forum had closed. A sixth representative could not be traced who was at the non-unionised service industry company, Bright Lights, which refused access in 2004. A director was re-interviewed at Opaque Glass and a human resource manager at Sunshine Textiles. At Opaque Glass and Sunshine Textiles three of each of the following were interviewed: employees, representatives and managers who were not involved directly (18); then at Tasty Food three employees and representatives (6). The interviews with employees and representatives were on an "off the record basis" and those with managers had something of an "in the corridor" flavour. Those with participants lasted 30-40 minutes and the others typically about 10 minutes, with all interviews taking place at work. In two instances former representatives were interviewed at new places of work rather than the case study company. In was important to record promptly what had taken place.
All interviews with participants were tape recorded with consent, which was of considerable benefit in expanding the notes and word-processed transcripts were prepared as soon as possible after each interview. The transcribed tape recordings enabled the interviews to be considered in more detail and with reflection. Whilst visiting companies, copies of agreements and other relevant paperwork were obtained.

4.4.3 Audit of documentation

At interviews primary documentation was obtained, such as copies of agreements, minutes, joint statements, agendas, in-house magazines, copies of OHPs, transcripts of speeches, annual reports, etc. A detailed analysis was made of the agreements for the forums in order to select and evaluate evidence and to understand the processes (Barzun and Graff, 1977: 5). The content of agreements was cross-referenced to the data from interviews to interpret the techniques being used and their implications for industrial relations. An analysis of case study companies was derived from interviews with practitioners, statistical data provided by companies, annual reports, company publicity, web sites, company profiles and other documentation. The 43 interviews produced a vast amount of data which was converted into a tabulated form for ease of access, though it was still necessary to consult the primary data. The tabulation of the data in both 2001 and 2004 was an enormous task which took some time. However the tables did help facilitate analysis of the content of the interviews and they provided the basis for appendices to support the discussion. The content of interview schedules required careful preparation.
4.4.4 The semi-structured interview schedules

The interview schedule for 2001 (Appendix 3) was designed in stages to elicit analysis and perceptions of the objectives, structure, processes and impact of the forums. The schedule was so designed that, after each question, lined spaces were left in which notes could be entered: interviewees were given a copy of the schedule to facilitate the flow of the interview. For ease of analysis and for stimulating and exploring avenues of thought, a range of options was listed for many of the questions, which often provided the basis for probing and for exploring answers.

Section 1 of the semi-structured interview schedule dealt with the scope and scale of the business. The detail of consultation and collective bargaining was then explored in section 2 together with the relationship of those procedures to the EWC. The statutory basis of the forum was discussed in the next section. In section 4 the origins of the EWC were evaluated and the roles played by key stakeholders were explored. The motives and objectives of the businesses were reviewed in subsequent sections. The following section, 7, chronicled the methods of governance and section 8 the processes relating to meetings. Then 9 considered feedback, 10 dealt with representation and 11 with control issues. Training was covered in 12 and confidentiality in 13, then in section 14 the legal basis was explored and in 15 the overall objectives.

Section 16 undertook a strengths, weakness, opportunities and threats (SWOT) analysis for both management and representatives. Question 17 dealt with
perceptions regarding competence, areas of agreement and the impact on industrial relations in the business.

The semi-structured interview schedule for 2004 (Appendix 4), used for participating management and representatives, inquired what had happened in the intervening years, about the methods of consultation for agenda items and ways in which debriefing and feedback was made available to people at work. Questions were subsequently asked about perceptions of levels of knowledge and interest and the effect on consultation, collective bargaining and industrial relations.

In 2004 employees, representatives and managers who were not involved directly were questioned over the impact of the forum on industrial relations (Appendices 5, 6). They were asked about their knowledge of the forum’s role, representational arrangements, the issues that it discussed, the feedback they received, the impact the forum had on industrial relations, its level of power and influence and likely future contribution to industrial relations. In accordance with standard practice pilot studies were conducted.

4.4.5 Pilot studies

Colleagues were invited to read through the semi-structured interview schedules in 2001 and 2004 (Appendices 3, 4, 5, 6). They revealed no major difficulties but the process did allow for points of interest to be raised and the checking of reliability, validity, wording, spelling, ordering and coherence of questions. The first interview in both 2001 and 2004 was used as a pilot study, which resulted in minor corrections and
attention to detail; for instance, in 2001 a question was added about smoothing
arrangements and the attendance at forums of FTOs. Several interviewees raised
questions about confidentiality.

4.4.6 Confidentiality and anonymity

Managers in three companies, Opaque Glass, Sunshine Textiles and Bright Lights,
were most insistent about confidentiality and anonymity. I was advised at Opaque
Glass, in 2004, that if the name of the company was mentioned in the thesis
management wished to have editorial control, which was unacceptable. Management
at Bright Lights made reference to the importance of confidentiality in two letters
dated 25 March and 12 September, 2001. Managers in other organisations in 2001 had
some concerns about confidentiality and anonymity. In 2004 two former
representatives who are working elsewhere were concerned about being identified.
Some “ordinary” employees, union representatives and managers, who were not
involved directly, were most worried about being identified. Therefore, each business
has been given an assumed name for the purposes of the thesis, which reflects the
business sector in which it operates. The interviewees themselves will now be
introduced in more detail.

4.4.7 The interviewees

At Opaque Glass the group director of human resources spoke to Manchester
Industrial Relations Society on “Change and Restructuring in a Global Manufacturer”
on 24 February, 2000, and made reference to the EWC. As the company was in a
target category, the opportunity was used to make contact with a firm about which I had some prior knowledge. The director was interviewed as a founding member and was most informative, giving freely of his time. An Amicus (Amalgamated Engineering and Electrical Union [AEEU]) lay representative who is a member of the forum was also interviewed. He had initially been a deputy member but had become a full member when a vacancy had occurred in 1999. He is employed as an electrician and by 2004 was union chair of a forum sub-group for building products. In 2004 the director and representative were re-interviewed. The union facilitated access to employees (3) and representatives (3) on an "off the record" basis and the director discrete access to management (3).

One of the target sectors was textiles and contact with a firm was made with help of a GMB FTO, who introduced me to a lay GMB representative at Sunshine Textiles. The official, employed in weaving as a knotter, has been a member of the forum since 1997, when he filled a vacancy. He put me in contact with the human resource manager who is a founding member and had drafted the first and second editions of the EWC agreement. Therefore, she was well-placed to answer the questions. In 2004 the manager and representative were re-interviewed as well as three non-participating employees, representatives and managers. The human resource manager played a prominent part in co-ordinating interviews.

At Tasty Food, arrangements were made to interview the union chair, a Transport and General Workers’ Union (T&GWU) convenor and he was able to address fully the questions. In 2001 access was eventually gained some three and a half months later, to a senior manager with the job title of Human Resource Manager, Northern Europe.
Several appointments were cancelled and an interview was secured in the end only by
an early morning start. However he was a key informant, worth waiting to see, but he
declined to be interviewed in 2004. Management and union interviewees were both
founding members. In 2004 the Union Chair was re-interviewed on an "off the
record" basis, as were three employees and three representatives.

At Precision Instruments, a metalworking business, arrangements were made in 2001
to interview a human resource manager for two sites in the North West of England
who was also the UK country co-ordinator for the forum. The union representative
was an Amicus, (AEEU) lay official and an ex-convener. His title in respect of the
forum was chairman of the co-ordinating committee and chair for the representatives
but he was employed as a production controller. Again, both interviewees were
founding members of the forum and, with an assurance of confidentiality they gave
the appearance of being totally frank in expressing their views. In 2004 the sites had
closed and the former union chair was interviewed at his new place of work.

At Insulation, a mineral wool manufacturer, the union representative was a member of
the forum for Amicus (AEEU): he was a founding member and was employed as a
fitter. The management representative, the human resource leader for the UK, had
written both the first and second editions of the agreement. She had an administrative
role in relation to the forum but was not officially a member. As was the case with the
representative, she had been involved with the forum since its inception. However the
forum had closed by 2004, the company refused access and the representative was
interviewed at his new place of work. The manager, who had also left, declined to
participate.
Contact was made with Bright Lights, which is in the entertainment business, to gain access to the director of human resources, UK and Ireland, who was a founding member of the forum. He was able to deal with the issues in a comprehensive and authoritative manner. In turn arrangements were made for me to see the employee chair, an operations manager, UK and Ireland. He was not a union member, as the business is non-unionised in Britain and he had been involved with the forum since its inception. In 2004 the representative had left and the director declined to be interviewed. The details of the interviewees and interviews are in table 4.2.

**Table 4.2 Interviewees**

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>MGMT/REP</th>
<th>TITLE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opaque Glass</td>
<td>Mgmt</td>
<td>Group director of human resources.</td>
<td>19/03/01 19/04/04</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>TU</td>
<td>Forum rep., Amicus (AEEU), lay official. Electrician. Chair building products sub-group.</td>
<td>01/03/01 adjourned and continued on 06/03/01 11/02/04</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>3 Reps.</td>
<td>2 Amicus (AEEU) 1 GMB.</td>
<td>16/02/04</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>3 Employees</td>
<td>2 GMB, 1 Amicus (AEEU).</td>
<td>16/02/04</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>3 Managers</td>
<td>2 Senior and 1 middle manager, operations</td>
<td>19/04/04</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>Mgmt</td>
<td>Human resource manager.</td>
<td>01/05/01 05/05/04</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>TU</td>
<td>Forum rep., GMB, lay Official. Knotter.</td>
<td>04/04/01 05/05/04</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>3 Reps.</td>
<td>3 GMB.</td>
<td>05/05/04</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>3 Employees</td>
<td>3 GMB.</td>
<td>05/05/04</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>3 Managers</td>
<td>1 Senior and 1 middle manager, weaving, 1 middle manager, logistics.</td>
<td>11/05/04</td>
</tr>
<tr>
<td>Tasty Food</td>
<td>Mgmt</td>
<td>Human resource manager, Northern Europe.</td>
<td>26/06/01</td>
</tr>
<tr>
<td>Tasty Food</td>
<td>TU</td>
<td>EWC chair, T&amp;GWU</td>
<td>09/03/01</td>
</tr>
<tr>
<td>Company</td>
<td>Reps. / Employees</td>
<td>Managers</td>
<td>Details</td>
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<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tasty Food</td>
<td>3 Reps.</td>
<td>3 Managers</td>
<td>(Promised interviews had been repeatedly postponed.)</td>
</tr>
<tr>
<td>Tasty Food</td>
<td>3 Employees</td>
<td>3 T&amp;GWU.</td>
<td></td>
</tr>
<tr>
<td>Precision Instruments Conglomerate</td>
<td>Mgmt</td>
<td>Human resource manager, A and B plants, UK country co-ordinator for forum.</td>
<td>03/04/01</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>TU</td>
<td>Chairman co-ordinating committee, Amicus (AEEU), lay official, production controller.</td>
<td>03/04/01</td>
</tr>
<tr>
<td>Insulation</td>
<td>Mgmt</td>
<td>Human resource leader.</td>
<td>27/03/01</td>
</tr>
<tr>
<td>Insulation</td>
<td>TU</td>
<td>Forum rep., Amicus (AEEU), lay official, fitter.</td>
<td>22/02/01</td>
</tr>
<tr>
<td>Bright Lights</td>
<td>Mgmt</td>
<td>Director of corporate human resources.</td>
<td>02/03/01</td>
</tr>
<tr>
<td>Bright Lights</td>
<td>Non-union Rep.</td>
<td>Operations manager, UK and Ireland, employee chair.</td>
<td>22/03/01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total number of interviews</td>
<td>43</td>
</tr>
</tbody>
</table>

Having considered and justified the most appropriate methodology for the thesis, the next chapter will provide a detailed analysis and evaluation of the structure, composition and industrial relations for each of the six case study companies.
5.0 Case study companies

5.1 Introduction

The aim of this chapter is to analyse the six case study companies to understand their operations, products, culture, management style and approach to industrial relations. Specifically there are differences between the companies which enable variations to be explored. They include the business sector, homogeneity of product, structure, unionisation and approach to industrial relations. Accordingly, each company will be analysed in turn. The level of compatibility between a company’s structure, its management style and the forum will influence its ability to function. A sceptical approach will be adopted for statements made on company web sites concerning employment practices. That is because they are posted as publicity, to encourage sales and for internal propaganda purposes.

The longitudinal nature of the study has enabled changes in the companies to be monitored over a period of time. In some cases there has been continuity but in others there is radical change. To respect the confidentiality of the companies an assumed name is used. The examination of the findings in the next chapter will be set against the insight gained into each business.

5.2 Opaque Glass

This is a major British manufacturer specialising in the manufacture of glass which has introduced a European management structure and was one of the first to establish a forum. It was founded in 1826, becoming a private company in 1894 and it
remained so until 1970, when it was listed on the London Stock Exchange (Company Briefing, 2002/2003, web site). It has annual revenues of £2.8b and is one of the world's largest manufacturers of glass in building and automotive product markets. Some 80% of sales are outside the UK. Just over half of the company's revenues come from flat glass products for buildings where it is a market leader in Australasia, Europe and South America. In the USA it has a 7% share of the residential market and 26% in commercial building (Annual Report, 2003). In the mid-1990s the business moved from a structure with autonomous competing businesses in different European countries to one that is integrated. The company states in common with most other businesses that it considers its employees to be its most important asset in achieving its mission and business objectives: "The company aims to be a dynamic, market driven, global provider of glass products, judged best in class by our customers, our people and our shareholders" (Code of Conduct, 2004:2).

The world-wide headquarters is in the North West of England where most of the major British manufacturing plants of the company are also located. The company is divided into two divisions, Automotive and Building Products. In 2004 it was operating in 24 countries and marketing in 130, in April, 2001 there were 28,500 employees worldwide, which by April, 2003 had fallen to 25,200. In the UK on 1 April, 2001 there were 4,700 which had fallen to 3,762 by 1 April, 2004. Therefore the forum was set against a background of major restructuring and significant job losses.

The company follows standard good practice in terms of business ethics, for instance all employees are issued with a Code of Conduct (2004) that applies in all areas of the
business. The company comments that it is guided by those standards in its *Overall Employment Policy*. There are a number of rights in this policy including joining, or not, a trade union, the use of appropriate methods of employee consultation and communication. It includes a statement that pay and terms of employment will meet the legal or national industry minimum standard and provide a living wage with "discretionary income". Whilst the approach to trade union membership and consultation is of note the other aspects concerning legal compliance leave the company with plenty of scope for discretion and assertion of control.

There is a whistle-blower's charter, a *Reporting of Concerns Procedure* (2004: 21-22) within the *Code of Conduct* (2004) which enables employees to report improper behaviour. The company states that the procedure reinforces its commitment to maintaining standards of honesty and openness. The company has a *Group Equal Opportunity Policy*, with a standard content and, according to union interviewees the business is regarded as a fair employer in the town where most employees are located. As one would expect, people have access to health services and safety programmes. Again there is evidence of good practice, compliance with the law and insurance requirements.

The agreement for the forum contains a common requirement that the forum should not impinge on existing industrial relations procedures. Interviewees made reference to a regular cascading process geared to briefing employees and allowing the discussion of local and company-wide issues. There are monthly team meetings, with some variation in the level of interest and participation depending on the topic (Code of Conduct, 2004: 10). Interviewees also stated that quality circles have been used in
the past but ideas have become exhausted. Profit-related pay has ended but there is a
share ownership scheme, popular until the recent decline in the market. There is also a
company magazine containing both local and international news; instead of 24
countries having a house journal there is one for the whole business, with a local
insertion, and it is produced in 11 languages. In addition, a company intranet has been
established to assist communications.

In Britain there is local plant collective bargaining but most sites are adjacent so that
negotiations influence each other. The group director of human resources said “the
collective bargaining process seems to work well” but senior management engage in
individual salary negotiation. There are three joint negotiating committees which
reflect the structure of the business: i.e. float glass with Amicus (AEEU), Amicus
(Manufacturing Science and Finance Union [MSF]) and GMB representatives; roll
and pattern with the same unions and automotive, which also includes T&GWU
representation. The European forum has two sub-groups namely building products
and automotive products. Two of the joint negotiating committees equate with
building products and the third with automotive sub-group. Therefore, robust and well
established procedures exist with which the two-tier forum has been dovetailed but
from which it has been kept separate.

The business is densely unionised except for professional and managerial roles. The
union representative said that GMB organises production workers except for
Birmingham where they are represented by T&GWU; Amicus (MSF) represents
non-manual staff and Amicus (AEEU) acts for engineers across the business. In 2004
talks to merge the AEEU and MSF branches following the creation of Amicus had
started. The existing industrial relations procedures mean there is a large conceptual
gap between plant bargaining and the EWC. Table 5.1 gives union membership and
employment on 1 April, 2004. The information about trade union membership was
provided by the representative and the total figures by the group director of human
resources.

Table 5.1 Opaque Glass - Employee numbers and union density

<table>
<thead>
<tr>
<th>Plant/Office</th>
<th>Amicus (AEEU)</th>
<th>Amicus (MSF)</th>
<th>GMB</th>
<th>T&amp;G</th>
<th>Total union &amp; % density</th>
<th>Mgmt &amp; non-union</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural, North West</td>
<td>32</td>
<td>110</td>
<td></td>
<td></td>
<td>142 (93)</td>
<td>10</td>
<td>152</td>
</tr>
<tr>
<td>Building Prod HQ, North West</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td>30 (47)</td>
<td>34</td>
<td>64</td>
</tr>
<tr>
<td>Birmingham</td>
<td>25</td>
<td>20</td>
<td>7</td>
<td>396</td>
<td>448 (100)</td>
<td></td>
<td>448</td>
</tr>
<tr>
<td>Plants, North West</td>
<td>70</td>
<td>343</td>
<td></td>
<td></td>
<td>413 (82)</td>
<td>90</td>
<td>503</td>
</tr>
<tr>
<td>Engineering, North West</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
<td>35 (31)</td>
<td>65</td>
<td>100</td>
</tr>
<tr>
<td>Eccleston</td>
<td>29</td>
<td>103</td>
<td></td>
<td></td>
<td>132 (100)</td>
<td></td>
<td>132</td>
</tr>
<tr>
<td>Automotive HQ, North West</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0)</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>WXY St, North West</td>
<td>36</td>
<td>141</td>
<td></td>
<td></td>
<td>177 (93)</td>
<td>12</td>
<td>189</td>
</tr>
<tr>
<td>Doncaster</td>
<td>85</td>
<td>85 (87)</td>
<td></td>
<td></td>
<td>13</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Downstream Sites</td>
<td>250</td>
<td>420</td>
<td></td>
<td></td>
<td>670 (42)</td>
<td>928</td>
<td>1598</td>
</tr>
<tr>
<td>Group Operations, North West</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td>100 (26)</td>
<td>280</td>
<td>380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122</strong></td>
<td><strong>505</strong></td>
<td><strong>1209</strong></td>
<td><strong>396</strong></td>
<td><strong>2232 (59)</strong></td>
<td><strong>1530</strong></td>
<td><strong>3762</strong></td>
</tr>
</tbody>
</table>

Opaque Glass has sophisticated procedures for human resource management and
industrial relations. The forum and its sub-groups are an integrated part of a company
communication process but they appear isolated from well-established plant
consultative and collective bargaining procedures.
5.3 Sunshine Textiles

This business is of interest because it is a diverse Japanese conglomerate whose business culture and structure have posed numerous challenges for the forum.

Sunshine Textiles, established in 1926, is a manufacturer of synthetic fibres based in Tokyo, with plants in 17 countries and with an annual turnover of in excess of £6b (Annual Report, 2003). Global employment was approximately 50,000 in 2001 and is now some 45,000; in the UK on 1 April, 2001 it was 565, which by 30 September, 2004 was reduced to 375. In addition to fibres and textiles, the businesses include carbon fibre, chemicals, electronics, engineering, housing, information-related products, pharmaceuticals, plastics and medical products. In 2003 fibres and textiles made 40% of the group’s sales, plastics and chemicals 29.7%, housing and engineering 14%, other products 10.7% and pharmaceuticals and medical products 4.8% (Annual Report, 2003).

The management ethos of operations in Britain is influenced by the laudable corporate goals of its Japanese parent company, which include:

To be an integrated chemical group based on three business domains - diversified synthetic materials; advanced and end products and fast information. In addition, the group seeks to: pursue growth on a global scale; to exhibit the integrated capabilities conferred by the company’s group practices; to play a positive role in protecting the global environment; to place management emphasis on safe practices and accident prevention and to contribute to society as a sincere corporate citizen. (Company web site)

In support of part of the statement it was evident, from visits to sites, that safety was taken seriously and was a high priority. The company describes its goal to create value by developing and building new business solution models. In Britain the
company produces polyester fabrics and tailoring fabrics using Japanese yarn and finishing technology. It supplies fabrics for retail garments, mail order clothing, industrial clothing and uniforms (A Guide to Nottinghamshire, Site B, Factory, Undated; Annual Report, 2003; Sunshine Textiles Company Brochure, Undated). The company claim that corporate ethics are a top management priority so they established a Corporate Ethics Committee (1997) with five principles:

*Comply with laws, rules and regulations; engage in free and fair competition; maintain transparency and encourage a deeper appreciation of the company's business; eliminate prejudice and discrimination and respect the dignity of each individual; take good care of the company's property and assets while keeping private and business interests separate.*

Whilst the principles include good practice it is difficult to reconcile the company's stifling procedures and bureaucracy with the corporate goals and philosophy.

The company established a Compliance Committee (2002) which, according to the web site, was to discuss directly with junior managers ways to instil the importance of complying with the law and avoiding unethical activity, as well as apparently encouraging efforts to promote corporate ethics and compliance by managers. Interviewees have commented on the hierarchical culture of senior management and head office with an evident lack of unscripted dialogue and interaction, which would suggest this will not be translated into reality. The company has also established a Human Rights Committee (1996) to deal with sexual harassment and gender. The Human Rights Committee reported to the Corporate Ethics Committee from 2002 and the two are allegedly working together to improve corporate ethics: these activities appear to be all but invisible in the UK (Company web site). The company stated in a conventional manner that it sees the development of human resources as a
management priority, which would be met with jaded scepticism in Britain where two out of three plants have been closed between 2001-2004.

The company web site and brochures claim it provides employee training and education programmes for all their offices, branches, plants and businesses, but trade union representatives have expressed concern about the company’s actual approach to training. The company established a human resources development centre (1996) adjacent to its Mishima plant in Japan, which is allegedly available to employees worldwide. The centre is one of the largest corporate training facilities in Japan and it provides programmes for production control, management, managing change, sales, technology and other professional skills. However, during site visits, there was no reference to the centre being used by British employees: representatives were even refused training for languages.

Once again the forum agreement makes it clear that other industrial relations procedures are unaffected by its existence. Interviewees explained that in contrast to Opaque Glass above, there is centralised collective bargaining for UK operations which was introduced in 1998 and took place at Nottinghamshire site B, with three union representatives from each of three sites. The unions involved were Amicus (MSF), GMB, and KFAT (National Union of Knitwear, Footwear and Apparel Trades). By 2004 plant closures resulted in a single union agreement for Amicus at the only remaining site. Interviewees said that, in accordance with the Japanese approach, there are daily team briefings for 10 minutes before each shift and typically the topics discussed include safety and productivity. Quality circles had been used but they had lost momentum and were replaced by discussion groups. Performance
related-pay ended with the loss of tax relief. Trade unions have requested a share
ownership scheme though this is problematic in a diverse conglomerate. In 2001 at
each of the three sites there was a factory committee which comprised shop stewards
or, if none were available, ordinary union members from each shift. It met monthly at
one site, quarterly at the other two: all three sites had section committees which met
monthly. From September, 2004, the process was confined to the only remaining site,
Nottinghamshire, site B. In 2001 the UK representatives at the forum were able to
function as a team because they worked together for national bargaining but by 2004 rationalisation had simplified the process.

The British headquarters for the textile business is in the Midlands at
Nottinghamshire, site B. In 2001 Amicus (MSF) had membership at all three sites and
was the only union at head office, Nottinghamshire B, but represented some office staff in both the North West and Nottinghamshire A. KFAT had members at Nottinghamshire A and the site in the North West; on the other hand, GMB had members only in the North West. Operations are now focused on Nottinghamshire B as in August, 2002, Nottinghamshire site A closed and on 30 September, 2004, a mill in the North West. Table 5.2 demonstrates the plant closures with derecognition of two unions and a single union agreement with a third: eventually there was one site and Amicus. The information in table 5.2 was provided by the human resources manager.
### Table 5.2 Sunshine Textiles - Employee numbers and union density

<table>
<thead>
<tr>
<th>Site</th>
<th>KFAT</th>
<th>GMB</th>
<th>Amicus (MSF)</th>
<th>Union total% density</th>
<th>Mgmt &amp; Non-union</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North West closed 9/2004</strong></td>
<td>15</td>
<td>40</td>
<td>10</td>
<td>65 (54)</td>
<td>55</td>
<td>120</td>
</tr>
<tr>
<td><strong>Notts A closed 8/2002</strong></td>
<td>70</td>
<td>15</td>
<td>85 (55)</td>
<td></td>
<td>70</td>
<td>155</td>
</tr>
<tr>
<td><strong>Notts B</strong></td>
<td></td>
<td>100</td>
<td>100 (34)</td>
<td></td>
<td>190</td>
<td>290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>85</td>
<td>40</td>
<td>125</td>
<td>250 (44%)</td>
<td>315</td>
<td>565</td>
</tr>
</tbody>
</table>

**Notts B Site 30 September 2004**

<table>
<thead>
<tr>
<th></th>
<th>Amicus with %density</th>
<th>Mgmt/Non-union</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory</td>
<td>170 (51)</td>
<td>160</td>
<td>330</td>
</tr>
<tr>
<td>Offices</td>
<td>5 (12.5)</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>175 (47)</td>
<td>200</td>
<td>375</td>
</tr>
</tbody>
</table>

The company appears to be adopting much good practice from the published material that is available. However many employees in Britain would be sceptical at the comments about the degree of openness and interaction in the business.

### 5.4 Tasty Food

The food business is a large American-owned multi-national with sales that exceed £4b. It is based in Pittsburgh, Pennsylvania, and was founded in 1869. Operations were centrally directed from Pittsburgh until 1995, when an integrated European operation was established and managed from Britain. It was initially completely...
opposed to a forum due to the attitude at head office to trade unions. In 2001 there were approximately 45,000 employees worldwide with some 40,000 in 2004. On 1 April, 2001, there were 6,023 in the UK but by 1 April, 2004, that figure had fallen to 5,113. In Europe there are six core product categories, with 30 businesses, operating in 50 locations in 23 countries: some 35% of the company’s sales are to the British and European market. A 56 acre site in the North West of England produces two thirds of the company’s UK products. The distribution centre, near the factory, is the largest food warehouse in Europe but there are 11 other smaller plants in this country. The company defines its vision as being: “The world’s premier food company, offering nutritious, superior tasting foods to people everywhere” (A Flavour of the Company Since 1869, Undated; A 100 Years of Progress, 1986; Annual Report, 2003).

The company’s web site contains the Global Operating Principles (2003) which include standard conventional statements of good practice; there is also emphasis on equal opportunities, adherence to the law, an application of minimum standards in the absence of local law and extensive reference to health and safety. There is no reference to trade union membership, merely a statement that “the rights of labour unions must be respected” (Global Operating Principles, 2003: 3). Nothing is included about consultation, which is indicative of the view of head office. The comments about communication in the document relate merely to the dissemination of the Global Operating Principles and encouraging constructive workplace dialogue.

In keeping with most other companies it is clear in the agreement for the forum that its creation would not affect other industrial relations procedures. Interviewees
advised that there is individual negotiation of pay for senior management and also for employees in some small plants; for other employees there is plant-based collective bargaining. The UK trade unions have tried to meet in London to co-ordinate activities and have been opposed by the company. The union chair commented that there had been an employment tribunal over whether such a meeting was a trade union duty or activity and that "the tribunal decided it was a duty, so we got paid"

The only national forum for representatives is one that deals with pension trusteeship. The European forum may provide a limited facility for representatives from Britain to co-ordinate activities. The statutory frameworks in other European countries result in a certain amount of diversity in the company's approach to collective bargaining. The human resource manager, Northern Europe, noted that "different cultures required a different approach" He added that growth has been by acquisition, which has resulted in some variation in practices. He commented that "the style in some locations is influenced by history and legal requirements" There are country-specific collective bargaining arrangements for instance in France, Germany and Italy.

The manager noted that in the North West the T&GWU had the largest union membership, followed by Amicus (AEEU), then Amicus (MSF) and lastly GMB; in 2004 the AEEU and MSF branches were still discussing merger. He added that on a national scale the pattern was similar except that Amicus (MSF) and GMB have approximately the same membership. Team briefing which, according to the Workplace Employee Relations Survey (1998), is the UK's most common form of involvement, is adopted, with some variation in approach, at all sites. In the past there have been experiments with quality circles but they were not used, in Britain, after 1988. The company operated a performance related pay scheme, in the UK, as long as
there were tax advantages for so doing. A world-wide share scheme for employees was started in 2001 but its attractiveness has been affected by a downturn in the stock market.

Interviewees confirmed that each British plant, including the main one in the North West, has a joint consultative committee which meets once a month. On the other hand there is a plant joint negotiating committee which meets to negotiate issues as they arise. At the main site each of the three unions has a convenor with a senior steward for day shift and senior steward for night shift. The day and night shift stewards each have a deputy and individual trade unions hold poorly attended monthly meetings for their own branches. Therefore, for British trade unions, there is a large void between the usual activity at plant level and the European forum. The union chair provided employee numbers for the UK and trade union membership for the North West for 1 April, 2004 (information is in table 5.3).

Table 5.3 Tasty Food - Employee numbers and union density

<table>
<thead>
<tr>
<th>Plants in North West</th>
<th>Amicus (AEEU)</th>
<th>Amicus (MSF)</th>
<th>GMB</th>
<th>T&amp;G</th>
<th>Total Union % density</th>
<th>Mgmt &amp; non-union</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumbria</td>
<td>20</td>
<td>35</td>
<td>60</td>
<td></td>
<td>115(51)</td>
<td>108</td>
<td>223</td>
</tr>
<tr>
<td>Main Site</td>
<td>300</td>
<td>130</td>
<td>850</td>
<td></td>
<td>1280(74)</td>
<td>452</td>
<td>1732</td>
</tr>
<tr>
<td>Merseyside</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td>40 (80)</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>North West total</td>
<td>320</td>
<td>205</td>
<td>60</td>
<td>850</td>
<td>1435(71)</td>
<td>570</td>
<td>2005**</td>
</tr>
</tbody>
</table>

** Transferred to table below
### Total numbers at other UK sites

<table>
<thead>
<tr>
<th>Plant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBB</td>
<td>304</td>
</tr>
<tr>
<td>Lincolnshire Plant</td>
<td>454</td>
</tr>
<tr>
<td>Lincolnshire Office</td>
<td>122</td>
</tr>
<tr>
<td>London</td>
<td>424</td>
</tr>
<tr>
<td>Warwickshire</td>
<td>378</td>
</tr>
<tr>
<td>DDD</td>
<td>552</td>
</tr>
<tr>
<td>CCC</td>
<td>498</td>
</tr>
<tr>
<td>Shropshire/Worcestershire</td>
<td>174</td>
</tr>
<tr>
<td>AAA</td>
<td>202</td>
</tr>
<tr>
<td>North West (From table above)</td>
<td>2005**</td>
</tr>
<tr>
<td>UK Total</td>
<td>5113</td>
</tr>
</tbody>
</table>

It is apparent that management at headquarters in America hold anti-trade union views and would regard any surrender of managerial prerogative to consultative procedures as unwelcome. In spite of the pragmatic and more open approach to trade unions in Britain, the forum is likely to find its environment carefully controlled.

### 5.5 Precision Instruments

This business is of interest because it is a conglomerate in a sector densely populated with EWCs and has made clear its intention to relocate its operations to low cost countries. The American company based in Woodcliff Lake, New Jersey, was founded in 1871. It operates in numerous markets: automotive, commercial construction, golf equipment, healthcare, hospitals, housing, manufacturing, retail, safety, security, schools and universities. It has over 100 plants, half of which are outside the USA. The company claims it is a global innovator and solutions provider (Annual Report, 2003, Company web site).
The company’s objectives are:

*Achieving dramatic growth by focusing on innovative solutions for customers; achieving operational excellence by pursuing continuous improvement in all operations and gaining dual citizenship by bringing together the talents, energy and enthusiasm of all people.*

To achieve those objectives requires acquisitions and disposals to change the location of businesses. Some 64% of the company’s revenues come from North America, 22% from Europe, 10% from the Asia Pacific region and 10% from Latin America. In 2010 the company anticipates that at least half its revenues will originate outside North America: the company has manufacturing facilities in China, the Czech Republic, Mexico and Turkey (Annual Report, 2003, Company web site). British businesses have closed because of relocation to low cost countries.

On 1 April, 2001, there were some 50,000 employees world-wide and by 1 April, 2004 approximately 43,000; in the UK on 1 April, 2001 there were some 2,500, by 1 April, 2004 it is thought the figure was near 1,600. The research took place in 2001 on a 20 acre site in the North West of England where an air compressor plant was closed in December, 2002, with the loss of 600 jobs. The work was initially transferred to the Czech Republic then, in 2004, to China. Also on that site was a professional tools plant, which closed in November, 2003, with the loss of 290 jobs again the work was transferred to China. The factories had been on the site for 40 years and on the announcement of the phased closure programme a Convener for Amicus (AEEU), said:

*We are hearing all about how America is standing shoulder to shoulder with the UK, but we certainly don’t feel that here. We are very bitter. We also feel very let down, not just by the company but also by our own union who have not said much on the subject.* (Manchester News Online, 29 September, 2002)
The closure of plants was part of restructuring which began in 2000 aimed at improving efficiency to achieve annual savings of £100m. The plants in the North West had specialised in producing rotary screw compressors, centrifugal oil-free compressors, reciprocating compressors, industrial professional tools as well as air treatment and accessory equipment. Other products included portable tools and equipment for the rental and construction industry (Annual Report, 2003, Company web site).

In keeping with standard practice the company is guided by Corporate Governance Principles to ensure compliance with legal requirements and those of the New York Stock Exchange. The company’s Code of Conduct (2004) states:

*At (Precision Instruments), we will cultivate an environment of mutual trust, honesty and respect. We require these attributes, along with integrity and fairness, because they form the basis for mutually beneficial relationships and, as a result, they are fundamental to the long-term survival of our business. Simply put, good ethics is good business.* (Company web site)

The employee relations section (Code of Conduct, 2004: 5) confines itself to matters relating to equal opportunities. There is no reference to trade unions or consultative procedures, which is consistent with the philosophy of the business.

As with previous case studies, the forum agreement makes clear that other industrial relations procedures are unaffected by its inception. Interviewees said that whilst senior management negotiate pay on their own behalf, there is plant level bargaining in each business. There was a departure from that practice in the North West of England, where interviews were undertaken in 2001, because two plants faced each other across a road. The former union chair commented that “AEEU had 100% membership in our sphere of influence” The conglomerate would not wish to engage
in company-wide bargaining due to varying market conditions in its constituent businesses. Indeed, as with Tasty Food the only national forum for representatives is pension trusteeship. The union chair said that “even in that context there is, for historical reasons, some variation in benefits between businesses within the company” Team briefing is typically conducted at two levels: first, shop floor cells meet weekly and, second, quarterly presentations are made to an entire factory. Quality circles have been replaced by a scheme which emphasises the achievement of a range of standards called Six Sigma. Typically at plant level a joint shop stewards’ committee will meet, perhaps twice in a year, in relation to pay negotiations; otherwise plant representatives meet management monthly. Inevitably in a diverse conglomerate there is some variation in practice. Table 5.4 sets out the plants that constituted the constituency for the former union chair who provided the information for the three sites, two of which have now closed.

<table>
<thead>
<tr>
<th>Plant- North West</th>
<th>Amicus (AEEU)</th>
<th>Amicus (MSF)</th>
<th>Total union % density</th>
<th>Mgmt &amp; non-union</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Tools (Closed 11/03- transferred work to China)</td>
<td>250</td>
<td>30</td>
<td>280 (97)</td>
<td>10</td>
<td>290</td>
</tr>
<tr>
<td>Compressors (Closed 12/02- work transferred to Czech Republic. In 2004 to be transferred again – to China)</td>
<td>500</td>
<td>75</td>
<td>575 (96)</td>
<td>25</td>
<td>600</td>
</tr>
<tr>
<td>Service Centre</td>
<td>25</td>
<td>30</td>
<td>55 (27)</td>
<td>150</td>
<td>205</td>
</tr>
<tr>
<td>Total</td>
<td>775</td>
<td>135</td>
<td>910 (83)</td>
<td>185</td>
<td>1095</td>
</tr>
</tbody>
</table>

The company has been open about its intentions to relocate businesses to low cost countries, which will present a challenge for the forum.
5.6 Insulation

This business is of interest because of the impact of its constantly changing structure on the forum. The original business was formed in 1946 by another case study company, Opaque Glass and was known as Opaque Glass, Insulation, before being bought by an American company. Then in 2000 Insulation was transformed into a joint venture between the American-owned company and a Swiss business, with the Swiss company holding 60% and the American the rest. In November, 2001, the Swiss firm purchased the part of the joint venture owned by the American firm and then sold it to Kay Industries, a German company (Master Builder, 2001). With effect from 1 January, 2003, Kay Industries took control by purchasing the Swiss firm’s holding. There are five plants across the north of England and Wales: the company has a site in the North West with a headquarters operation and a manufacturing plant for glass mineral wool. The same product is made in South Wales, with rock mineral wool in North Wales and, at Hartlepool, extruded polystyrene (Master Builder, 2002).

The American contributor to the joint venture, based in Toledo, Ohio, was already a major producer of mineral wool and extruded polystyrene foam insulation in Belgium, Italy, Spain and the UK, it had sales of £10 billion and employed approximately 20,000 people worldwide (Company web site; Master Builder, 2002). The Swiss contributor to the joint venture, based in Hergiswil, Switzerland, was the largest manufacturer of expanded polystyrene insulation in Switzerland and operated in Germany and Eastern Europe. It is one of three major companies supplying insulation materials in Europe. The company is listed on the Zurich Stock Exchange with current sales of approximately £150m (Company web site; Master Builder, 2002).
The aim of the joint Swiss/American venture in 2000 was to develop strategic and operational synergies and it was thought that the new partnership would benefit from combined technology, manufacturing, brand strengths and operating knowledge. The joint venture had a European market share of approximately 50% and it was also the UK's largest manufacturer (Company web site). Ultimately Kay Industries, established in Iphofen, Germany, in 1978, took control of the joint venture. It is a family-owned company employing 16,000 people at 100 production plants in more than 30 countries with an annual turnover of £1.8b. Kay Industries have a strong presence in Europe with the bulk of their production being in chemical building products, insulation materials and plasterboard (Company web site).

The Swiss/American joint venture employed a worldwide total of 12,500 in April, 2001. In October, 2000, some 996 were employed in the EU with 535 in the UK. The EU level of employment had slipped below the threshold of 1,000 in the EWCD (1994), Article 2. However by 1 January, 2003, the EU figure was again well above that threshold with the takeover by Kay Industries and by 1 April, 2004, the UK employment level was slightly higher at 569.

The nature of the product and the production process had raised questions concerning health and safety: therefore the Corporate Stewardship (2004) statement focuses on those areas:

*We uphold this responsibility - we call it Corporate Stewardship - by continuously reviewing and studying all of our products and business actions in the light of their long-term impact. The company has developed unique methods of testing, assessment and expert supervisory panels to ensure strict compliance with health, safety and environmental standards across all levels of the organisation.* (Company web site)
As with other case study companies the agreement for the forum makes it clear that other industrial relations procedures are unaffected by its inception. There is no bargaining at company level: the human resource leader commented that "different plants have different issues, both the employees and the company could lose out if things were done nationally". There is local collective bargaining at four plants; at the fifth in Hartlepool the company puts forward a position on pay and conditions which is then unilaterally applied to the non-unionised workforce. The Amicus (AEEU) representative commented in relation to plant bargaining that "information was good and they were able to strike a deal". The manager said that Amicus (AEEU) organised engineers across four unionised sites, GMB had most process operators who formed the major group in the workforce, though the T&GWU represented some in North Wales, and Amicus (MSF) represented office staff and some team leaders. The senior managers are able to negotiate their own pay but bonuses are also available to managers and the sales staff.

Team briefing is undertaken quarterly but procedures vary by department, function and plant and whether the company wants to cascade particular information. Performance related pay has been phased out and replaced by a gain share scheme related to performance, safety and quality. A share scheme was deemed to be inappropriate in a joint venture. Each unionised plant has a joint consultative committee, typically with representatives for three unions, Amicus (AEEU), Amicus (MSF) and GMB. The plant leader and human resource leader represent management at such committees which have three functions: collective bargaining, consultation and communication. It seems that some sites were almost "closed shops" except for
the non-unionised operation at Hartlepool. It would appear that the opportunity created by the forum for some British representatives to meet and exchange information was in itself of value. The information about union membership, for all sites except Hartlepool, was provided in response to a written request to human resources but the data for Hartlepool was provided by an interviewee, a former representative. The total number employed has been taken from Master Builder (2002). Table 5.5 sets out union membership for 1 April, 2004 and overall employment levels for 17 June, 2002.

Table 5.5 Insulation - Employee numbers and union density

<table>
<thead>
<tr>
<th>Plant</th>
<th>Amicus (AEEU)</th>
<th>GMB</th>
<th>Amicus (MSF)</th>
<th>T&amp;G</th>
<th>Total union % density</th>
<th>Mgmt &amp; non-union</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West HQ</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>0</td>
<td>35 (30)</td>
<td>81</td>
<td>116</td>
</tr>
<tr>
<td>North West Plant</td>
<td>45</td>
<td>135</td>
<td>10</td>
<td>0</td>
<td>190 (97)</td>
<td>5</td>
<td>195</td>
</tr>
<tr>
<td>South Wales</td>
<td>20</td>
<td>70</td>
<td>10</td>
<td>0</td>
<td>100 (99)</td>
<td>1</td>
<td>101</td>
</tr>
<tr>
<td>North Wales</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>50 (55)</td>
<td>40</td>
<td>90</td>
</tr>
<tr>
<td>Hartlepool</td>
<td>10*</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10 (15)</td>
<td>57</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>205</td>
<td>55</td>
<td>50</td>
<td>385 (68)</td>
<td>184</td>
<td>569</td>
</tr>
</tbody>
</table>

* Not recognised

The forum at Insulation has had contrasting phases of activity as a result of the constant restructuring of the business, initially as a conglomerate (1996), then a joint venture (2000) and finally with the takeover by Kay Industries (2003).
5.7 Bright Lights

The first multiplex cinema opened in Britain in 1985 when Bright Lights was known as AMC but in 1989 the chain of cinemas was jointly bought by two American studios. Bright Lights is an international cinema group with worldwide operations and the company’s head office is in Greater Manchester. It operates cinemas in Austria, Germany, Ireland, Italy, Japan, Poland, South America, Spain, Taiwan and the UK (Industry web site). The cinema chain was marketed earlier this year and short-listed bidders included: BC partners, Cine-UK and Terra Firma (Financial Mail, 1 August, 2004: 2). Terra Firma bought Bright Lights for £180m on 27 August, 2004. At the same time it purchased Odeon for £400m giving it 38% of the British market and 14% of the European market (The Times, 28 August, 2004: 60).

In the UK, Bright Lights operates some 40 cinemas with a total of approximately 400 screens. The world wide employment at 31 December, 2001 was 6,412 staff, many of whom were part-time, the equivalent of 3,500 full time staff, with 2,400 being in Britain. In 2003 admissions to films started to fall in Britain and the company began to close cinemas e.g. Hull (July, 2004). The business comprises three elements: cinemas, “theworks” and distribution services. Introduced in 2000, “theworks” utilises advanced technology and there are four such cinemas. The manufacturing and supply operation produces popcorn and distributes centrally held consumable items for the cinemas (Company web site).

The company states in a conventional manner that attracting the right quality of staff is a priority:
We go all-out to attract the best by creating a working environment that's productive and fun. We strive for balance in our personal and professional lives, we deal with each other in an honest and straightforward manner and we support one another to be the best we can be. (Company web site)

To potential employees, the company presents itself as:

A place where you can contribute, learn, grow and advance based on merit not background or politics. We prize leadership that embodies directness, personal accountability and trust whilst valuing individual differences in the ways we work, communicate and manage as a key contributor to our future success. (Company web site)

To part-time employees in a service industry with relatively low pay, unsociable hours and a high labour turnover this must seem very hollow. Bright Lights has a standard package of employee benefits which includes: life assurance, incentive schemes, concessions on food and drink purchased whilst working and free transport home after late shifts. Employees undergo an induction and training programme followed by what the company describes as "structured career development", which in most operations must be relevant to a small number of employees. The company states that it provides an employee forum offering an opportunity to express opinions but at the time of the research the UK and Ireland domestic forum had ceased to meet.

The business is consistent with other case studies in that the agreement for the forum should not impinge on other industrial relations procedures. Interviewees said that there is collective bargaining in Austria, Germany and Spain but not in Britain where the company puts forward a position on pay and conditions, which is then unilaterally applied across the business. However there is individual negotiation for managerial, professional and administrative staff with performance related pay for plant managers. Management considers that a claim for union recognition is extremely unlikely, due to high labour turnover rendering any union unstable. Team briefings, or cast meetings, take place on either a weekly or monthly basis. Statutory domestic works councils
exist where they are requested by staff in Austria, Germany and Spain. In Britain, there is a non-unionised staff forum for the UK and Ireland, which should meet quarterly and it was established six months before the European Forum in late 1998. The employee chair commented that the domestic forum “had started with a flourish but has petered out and did not do pay” The staff at 31 December, 2001 is given below in table 5.6 and was provided by the director of corporate human resources.

**Table 5.6 Bright Lights - Employee numbers**

<table>
<thead>
<tr>
<th>Country</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria and Germany</td>
<td>1570</td>
</tr>
<tr>
<td>Italy</td>
<td>222</td>
</tr>
<tr>
<td>Japan</td>
<td>595</td>
</tr>
<tr>
<td>Poland</td>
<td>362</td>
</tr>
<tr>
<td>Slovakia</td>
<td>3</td>
</tr>
<tr>
<td>South America</td>
<td>539</td>
</tr>
<tr>
<td>Spain</td>
<td>710</td>
</tr>
<tr>
<td>Taiwan</td>
<td>3</td>
</tr>
<tr>
<td>UK and Ireland</td>
<td>2400</td>
</tr>
<tr>
<td>USA</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6412 = 3500 full-time posts.</strong></td>
</tr>
</tbody>
</table>

The company’s attitude towards information and consultation is illustrated by its approach to the staff forum for UK and Ireland. Therefore, it would appear to be a difficult environment for a European forum.

**5.8 Conclusions**

The extent to which forums synchronise with their host company’s business structure, management style and existing industrial relations arrangements varies considerably. That level of compatibility influences the receptiveness of management to a forum and has consequences for their ability to function. For instance, Opaque Glass is a British business that has integrated its European operations manufacturing one basic product: it appears to demonstrate an open approach to trade union membership and
consultative processes. In contrast Sunshine Textiles is a diverse conglomerate that has embarked on rationalisation: its large human resource department in Tokyo seems to have ensured that the company's published material complies with legal and ethical standards. However, there would seem to be a good deal of rhetoric in its stated approach that conflicts with the reality experienced and discussed in the next chapter.

Tasty Food has traditionally been tightly controlled from the centre but in recent years it has integrated its European operations. The negativity of head office in America towards trade unions is offset by a more pragmatic managerial approach in Britain. It was clear that existing procedural arrangements were not going to be affected or influenced by the arrival of the forum. On the other hand, Precision Instruments is a conglomerate which has evidently made no secret of its desire to relocate its operations to low cost countries to save £100m in operational costs every year.

It was demonstrated by the longitudinal study that companies can change structurally over a period of years. For instance with Insulation, from 1996-2000, the forum related to a conglomerate; from 2000-2002 it concerned an operation producing a single product and then, in 2003, the business was sold to new owners. Businesses are frequently bought and sold and joint ventures are created then dissolved. It is evident that change of that nature impacts on managerial style and job security and affects the priorities of both management and unions. Some service sector businesses that are non-unionised appear to be hostile to any impingement on managerial prerogative and to have a negative attitude to consultative processes of any description, e.g. Bright Lights. There seems to be an element of going through the motions and hoping that labour turnover will ensure that industrial relations institutions cease to work but remain as a symbol.
In each of the case study companies a clause has been placed into the agreement to establish a forum that it would not affect the operation of other existing procedures. It is evident management does not wish the forum to influence, replace or supplement existing procedures for collective bargaining and consultation (Carley and Marginson, 2000). Four businesses have plant based bargaining, i.e. Insulation, Opaque Glass, Precision Instruments and Tasty Food. Therefore those companies did not have a national forum in which trade unionists in the UK could network and co-ordinate activities before the emergence of EWCs. In one company, Sunshine Textiles, national bargaining was introduced in 1998 so that trade unions had the advantage of working together with some degree of cohesion but in any event, by September, 2004, all operations were on one site. High union density was a characteristic: Precision Instruments 83%, Tasty Food 71%, Insulation 68%, Opaque Glass 59% and Sunshine Textiles 47%. However, the sixth firm is non-unionised in Britain and has no experience of representation, let alone a tradition of collective bargaining. It was evident that at branch and plant level the merger between AEEU and MSF to create Amicus is only just beginning to take effect. Not surprisingly the larger general unions are found in the five unionised firms: Amicus (AEEU), Amicus (MSF), GMB and T&GWU. Wills (1998, Paper 3: 13) commented in her research that the same unions were the ones most commonly involved in EWCs.

This chapter has placed into context each business and its industrial relations activity. In each instance companies place laudable general statements about employment practices on web sites, which have been treated with scepticism, as the reality is often different. This is made evident in the following chapter which discusses the findings
from the longitudinal interviews with key participants and other people at work, both in 2001 and 2004, with regard to the impact of EWCs on a company's industrial relations.
6.0 The impact of European Works Councils

6.1 Introduction

The aim of this chapter is to analyse the impact of forums on industrial relations in case study companies. It considers from a UK perspective six longitudinal case studies which are a selected composition of Article 6 and 13 agreements. They are in a representational cross-section of sectors, with a diverse pattern of ownership; some are conglomerates, others are single product businesses, some are long established and mature, whereas others were agreed more recently. Most are unionised with a non-unionised example.

Specifically this chapter has three main themes. First will be an examination of the findings in relation to the impact, in British based companies, the forums have had on industrial relations and the working lives of employees and those representatives and managers not directly involved. Second, the representational structures that have emerged will be analysed to determine their autonomy and effectiveness in spite of control techniques. Third, the degree of control exercised by companies on a forum and, by implication, the latitude they are granted are explored. Examples of the variety of control techniques encountered will be discussed.

In particular, this chapter argues that, whilst control techniques vary, managerial practices will restrict the scope of forums to their statutory or a lesser role. The representational role is limited by the nature of the forums, the attitude of management, the structure of the business and their apparent remoteness from working life and other procedures. The perceived benefits in terms of industrial
relations are limited but sufficient to justify and ensure the continuance of most forums given the statutory requirements.

The chapter provides a fuller understanding of some companies more than others. It has been so structured that those companies for which the data is most adequate are given first.

6.2 Opaque Glass, 2001

6.2.1 Introduction

This case study is important as the forum was one of the first in Britain and therefore it is a mature voluntary agreement. The company has only one core product - glass, so therefore there is a common business language. The company ignored the UK "opt out" from the Social Protocol. There were company-specific issues concerning the business, which was restructured into a European-wide operation in the mid 1990s with the international headquarters and most UK operations sited in one town in the North West of England. The company had invested substantially in the forum and unusually it had a two tier format. However, in contrast to a seemingly open approach, managerial control techniques were evident in respect of a select committee, the agenda, lack of training in what could genuinely have been called a learning organisation, the marginalisation of the union delegation from the home country; the creation of a privileged sphere of influence for German unions and poor structures for feedback. Inter-union tensions were problematic with divisive issues such as "social dumping" Management and union interviewees appeared to be
ill-informed about the details of the agreement, so it seemed as if they did not take the forum seriously.

The company was receptive to an approach by German trade unions as the business wanted to reach a voluntary agreement and did so well before the deadline for Article 13 agreements. The British trade unions were willing to let German works council and trade union representatives take the lead, due to their experience with statutory participation. However, such a decision led to future problems as the trade unions in the UK later considered they had been sidelined by the Germans. That affected networking and co-ordination and hence undermined the potential of the forum. The methods and processes used reflected a managerial desire for control and the general lack of interest in the forum beyond participants.

The group director of human resources had wanted a flexible approach to the forum which would allow parties to learn and develop without the constraints of a prescriptive formula. He argued that, by adopting a voluntary approach using Article 13, "we would all be able to learn, without making too many mistakes". The company had not wished to cut across existing arrangements for information and consultation. However the forum was used as part of the launch of a vision of one integrated company, rather than an organisation with competing brand names in the same European countries, e.g. the company used to sell British glass in Germany in competition with its German operations. It therefore made sense to talk to delegates at a European level and the agreement was one of the first in the UK, dating from 11 September, 1995. The Amicus (AEEU) representative commented that a voluntary agreement had been achieved because management had wanted to preserve its prerogative and not be constrained by legislation. In contrast to the director he felt
that "a fear of compulsion had been the key" He argued that there had been a trend among multi-national businesses to ignore the UK "opt out" from the Social Protocol and to talk to unions about business at a European level. A complex pattern of multi-layered forum meetings emerged.

The director commented that the full forum met in June after the publication of annual results. In March and November the two business lines sub-groups, Automotive Products and Building Products, simultaneously meet. That created a two-tier approach with one main and four sub meetings a year. In fact two meetings a year are specified in only 17% of Article 6 agreements and 12% in Article 13 (Carley and Marginson, 2000: 29) (Appendix 12). However in spite of an opportunity for interaction the company ensured that it retained firm control and restricted the impact of the forum for representatives and industrial relations.

6.2.2 Representation

The methods and processes adopted apparently reflected the desire of management for control and a compliance with the requirements of legislation. They also illustrated a widespread lack of interest in the forum. For instance the management interviewee suggested there was "no competition for seats on the forum in the UK" He added that trade union representatives elected delegates and noted that, "in the UK representatives were shop stewards, in other countries they may be from works councils, the shop floor, clerical or even junior management" The Amicus (AEEU) representative indicated that there "was some competition for posts, but it's not massive; all the reps. are shop stewards" Having considered the level of interest in a post it is necessary to examine those countries which office holders represented.
The management interviewee indicated the EU countries in which the business operated. He noted that:

... the Swiss are in the forum but choose not to take their seats. From outside the EEA, Poland has been admitted and they have two representatives. The agreement refers to members being nominated, or elected and in the UK representatives are nominated by the unions. There are no non-unionised reps. from the UK or elsewhere. Appointments to the forum are in line with the constitution and local law and custom. The rule of one rep. per thousand people applies everywhere, even in Italy, where there have been some problems. The issue of over-representation in the UK needs to be sorted.

The union representative claimed that:

There is no standard way of appointing representatives. The agreement refers to one rep. per thousand workers. Due to downsizing the formula no longer correctly applies. The UK and Germany are the biggest groups on the forum. There are two auto. - GMB and T&GWU and two building products- Amicus (AEEU) and Amicus (MSF). UK reps. are appointed by the union. With the Amicus (AEEU), members elect stewards who then appointed me. The same goes for the GMB. The Amicus (MSF) branch elected their rep. and with the T&GWU the shop stewards nominated him in some way. I don’t think the company will insist on cutting the UK reps. by one, which they could do now due to the numbers. In Germany the works council nominate representatives. Elections are held in Sweden and Spain. In Italy there are three representatives - one for each union, which are Christian Democrats, Social Democrats and Communists. For political reasons, they have an extra rep. The Italian reps. do not speak to each other! The GMB, FTO goes and so does the IG BCE official who also represents the European trade union federation, European Federation of Chemical and Allied Workers.

The management interviewee noted that the Swiss had declined to participate in the forum and membership had been widened to countries joining the EU in 2004. It was evident that he had misunderstood the formula for representation. The director, in contrast to the union, maintained that the Italian delegation was treated the same as the others and indicated that he wished to cut the British delegation to ensure compliance with the formula for representation. (The revised agreement of 30 September, 2003, confirmed the UK delegation would remain as four.) The director
and union representative appeared to be under the misimpression that the agreement referred to one representative per thousand employees, whereas Appendix 2 made reference to one for 150-749 employees. (The same formula appeared as Appendix 1 of the revised agreement.) Therefore the fears of the union were ill-founded (Appendices 15, 16, 17). It was apparent that both management and union interviewees did not even understand the agreement for the forum, which raised questions about the level of interest and flexibility of implementation. Consideration of the membership of the forum raised the issue of the role of an expert to the forum.

The director at Opaque Glass concluded that the forum did not need experts from outside:

*There are experts present with a small “e”.* *If experts are needed, I speak to the German works council officials and the German FTO. Those are the three I would turn to, who are all German. The Germans have a long history of works councils and co-determination. The UK delegates are not particularly influential and hold none of the offices.*

Part II, paragraph 5, of the agreement provided for guests who could be an expert. In contrast, the union spokesman strongly dissented from management about the value of support from an expert.

The first opportunity to review the agreement was in 2000, when a request to do so was made by British representatives. However, at that time, it was not supported by other trade union delegations, which again raised the question of the apparent marginalisation of the UK delegation. The union representative indicated that:

*There have been amendments such as admitting eastern block countries like Poland. There have been talks about a review but the other unions would not support the UK.*
The inability of the union delegations to work effectively together would appear to have given control to management. The main forum had met in Brussels seven times by 2001 and was always of two days’ duration. The two sub-groups included a site visit with their meeting, which had potential to share best practice (Appendices 19, 20). That discussion raised the question of how the forum operated.

The management interviewee said the main meeting was spread over two days. It incorporated both business lines sub-groups and the representatives had a pre-meeting. He added there was a dinner with senior management and then on day two the main meeting followed by a debriefing for representatives. The union representative gave with more detail and commented:

*Before the main forum in June, the four UK representatives meet with their deputies and a GMB, FTO. We prepare our approach. In the morning there is a two hour pre-meeting for representatives. We have a joint lunch of sandwiches. In the afternoon until 6 or 7 pm there is a joint meeting. We then have a joint dinner with all of the top management. The next day there is a joint meeting, for maybe an hour on a particular topic selected by management e.g. safety. Then there is a debriefing for the rest of the morning. We end with a joint lunch. The sub-group meetings in March and November are less formal. Between 8.00am - 10.00am the union reps. tell each other what is going on. Then from 10.00 - 12.00 noon there is a joint meeting. From 12 noon to 1.00pm there is a joint lunch. From 1.00 pm to 2.00pm there is a union debriefing. Then we usually finish off with a site visit for 1.5 hours.*

There was a pre-meeting, debriefing, dinner and joint sessions with a site visit provided with sub-group meetings. The company had invested a lot of effort into forum meetings and sub-groups, yet, to the frustration of unions, they had sought to control the agenda and prevent the formation of an effective select committee, which undermined cohesion among representatives (Appendix 23). However, as was conventional, the company provided a chair for the meeting.
The director indicated that as a result of reorganisation management delegates had changed from those listed in the agreement of 1995. He confirmed that he chaired the meeting and was supported by a management team which comprised senior human resource, operations directors and the group chief executive (Appendix 24). The forum can only serve a representational role if its proceedings are effectively fed back to receptive employees and constituents.

The management interviewee explained that a communique was published via normal procedures such as company newsletters. The representatives had used existing arrangements for time off so they could distribute information. He suggested that constituents tended to be parochial in their approach to information but they did have a chance to see the bigger picture. The union representative repeated that UK delegates had a debriefing meeting: details of the meeting of the forum were e-mailed to representatives, packs were posted on notice boards and members were briefed at site meetings. It should give those members who were interested an insight into those opportunities offered by other European countries. He argued that an understanding of European standards would assist in a gradual long-term move towards harmonisation. The communication was perceived to be greeted with limited interest (Appendix 27) but was set in a context of managerial control. To address the numerous and problematic issues caused by control techniques the trade unions needed to act in a more co-ordinated and integrated manner.

6.2.3 Control

The principles and objectives were, in the main, set out in the Preamble to the agreement but, uniquely among case studies companies, made no reference to
consultation: the focus was heavily on information, which appeared indicative of a
desire to maintain managerial control (Appendices 7, 8, 9,10). A quotation from the
management interviewee endorsed the belief that:

*The purpose of this agreement is to enable the signatories to pursue their
common goal of entering into a constructive employee-management exchange
of information and views concerning the European level matters which affect
those companies constituting the business.*

It was apparent that incidents of “social dumping” and fragmented union
representation had enabled management to retain control. For instance, in 2000, the
forum agenda included “...concern by German reps., over the Polish plant” Poland
was then a pending member of the EU but had been admitted to the forum. The union
interviewee commented on tension between Polish and German representatives as a
second plant was to be opened in Poland, near the border, in 2003. He added that
representatives found issues of “social dumping” challenging to manage, which
appeared to be advantageous to management.

The forum, uniquely among the case studies, did not have an effective steering
committee to co-ordinate activity between forum meetings and achieve agreement on
an agenda. The director said, regarding the steering committee:

*There are a lot of politics about the select group. It does not
exist in the agreement. There are ad hoc meetings of two or three people
from either side, who meet to discuss issues about the forum. It is not a
formal body. The UK reps. do not hold any posts in the forum and that is
an issue for them. They are trying to do so.*

The union representative in contrast commented
The select committee exists on paper but not in reality. Who is on it? It met once with German, Spanish, Norwegian and Italian reps. who had to nominate one to attend. They could not agree. The union chair refused to have UK reps on it, as they were too inexperienced. There were all new UK reps. X, Amicus (AEEU), had retired, Y, GMB, went to work in Spain, Z, Amicus (MSF), took a management job and A, T&GWU, left the company. The union chair would not have any inexperienced deputies who had just taken over. The select committee met once (1999?). The business lines meetings, the sub-groups get around the need for the select committee to meet. It's not effective, as it has been disbanded by the company. In spite of all these internal problems the forum works quite well. It's not like it seems from all this.

The management interviewee was correct in stating there was no reference to a steering committee in the agreement but it was a controversial issue. It would appear that, in approximately 1999, an attempt was made to establish one, which foundered due to managerial manipulation of conflict between delegates. The British representatives were frustrated at their perceived exclusion from office and would have liked to have revived a steering committee, as it could have been a means of driving forward the forum. Intriguingly, the agenda for a forum meeting, 26-28 June, 2000, stated that a steering group would meet for 15 minutes which consisted of the management chair, the union deputy chair and his deputy (Appendix 21). (A steering committee was eventually formalised in June, 2003.) Communication needed to take place between forum meetings if strategies were to be developed. One of the usual roles of a steering committee is to agree an agenda for the forum so its absence appeared to be a mechanism for managerial control.

Most agreements stipulated how the agenda was to be drawn up and at Opaque Glass it was agreed between the management chair and his union deputy chair (Part IV, para. 2). The management interviewee said he had a meeting with the union chair to determine the agenda but he had no knowledge of the processes used by unions to identify items. He had an agreement with the union chair about standing union items.
for the agenda and said that similarly the sub-group chairs cleared the agenda with their unionised deputies. He commented that the agenda at the last meeting (2000) covered

...divisional results, an employee survey, health and safety. Concern by German reps., over the Polish plant. There was concern about two small plant closures, production and sales and environmental issues. The highlight for the reps. is the presentation by the chief executive which covers financial performance. There is an update and discussion of plans and progress.

The union representative noted with concern that:

_The agenda is through the union deputy chair and the group director of human resources. The German deputy was very UDI (unilateral declaration of independence). However, he has now retired so maybe things will change. The deputies on the sub-groups do the same. The four UK reps. and deputies meet three times a year with the GMB FTO, to identify agenda items to push._

He confirmed the agenda and said the UK representatives, deputies and a GMB, FTO, acted as a team and valued their periodic meetings to co-ordinate activity (Appendix 22). Management had apparently manipulated the forum by granting the union chair privileged influence: similar tactics appeared to be used with its sub-groups. The union spokesperson confirmed that the deputy chair of the EWC was also chair of the union delegation (Part IV, para. 2). He was a German and a full time union works council official who held the post from 1995 until his retirement in 2001 but it was alleged he behaved in an autocratic manner and marginalised British representatives (Appendix 18). Manipulation and international inter-union tension had given management control of the agenda and sidelined the UK delegation, which was further enforced by the approach to training.

The absence of a training programme was indicative of a managerial desire to prevent cohesion or any development of the forum beyond that stated in the directive. There
are plenty of objections that management may raise to training such as cost, translation facilities, mutually acceptable facilitators, content and location. The management interviewee said training had not been specifically provided for EWC delegates but language training had been made available for all employees. He noted that trade unions had provided training to representatives and he thought nothing further was required. The union representative confirmed he had undertaken trade union courses about the effective use of EWCs. He noted the company made language training available which he had used but it had not been specifically for members of the forum. He commented that management had wished to prevent better co-ordination between the representatives. The agreement had made no reference to training: for a generally active forum the absence of any focus on the issue was disappointing but it was in keeping with what appeared to be managerial control techniques (Appendix 25). It was apparent that inter-union tensions had proved intractable and were exacerbated by multi-faceted managerial control techniques: the absence of a steering committee, the control of the agenda, the focus on information and an absence of training. The impact of the process on industrial relations will now be considered.

6.2.4 Impact on industrial relations

The group director of human resources suggested that the strengths of the forum were that:

*EU business is discussed on an EU basis, the representatives are given a total picture, which is the approach to a lot of it. It is an opportunity to convince reps. why we are doing something and to discuss how. There is a lot of access to management but that is important. There is an exchange of views both formally and informally. We are able to get our views across to key employees. We get an insight into union thinking in an unfiltered way. It adds value by enhancing productivity through*
involvement...It's important to look at the EU picture not the local picture. Our customers, the car companies, have consolidated on an EU basis, so have we. It helps create a global perspective. It has developed into a useful institution. ...It fosters co-ordination within the EU and sometimes develops partnership.

The management interviewee considered the forum was an opportunity to influence senior representatives and discuss the implementation of management proposals. The informal interaction and networking were also seen as valuable as was the opportunity to present the wider picture and co-ordinate. It is argued that the forum was used to further the human resource management strategy.

The Amicus (AEEU) representative suggested that:

....an insight was provided into what was happening in other countries. It's about the world of worldwide work. What happens in Europe can affect the UK. An employee survey found that people at the YYYY, UK site and at XXX site in Germany have similar problems and that they have similar feelings about working life. ...Communication is a good thing, we cannot be a little island, we must learn from others. We need to have an exchange of views and standards and "cherry pick" the best. We must seek to raise standards. People recognise the shorter working week in France, for 35 hours. We get information and we find that the UK lags behind.

The representative valued the access to senior people and had once asked a director to intervene in a plant based problem. He commented on the value of site visits undertaken by sub-groups and identified that the profile of unions had been raised.

The sometimes difficult contact with other representatives was also of value as had been the realisation that problems were shared and aspirations raised.

The union representative regarded networking and the exchange of information as an opportunity for standards to be raised. The company would be strongly resistant to "cherry picking" conditions for harmonisation. However, to network representatives...
must be able to communicate and work effectively together, something which management had apparently succeeded in preventing.

The representative argued that the language barrier was a problem as it had frustrated networking. In respect of conflict there had been problems with the German trade union deputy chair. He referred to issues concerning the time-frame in which information was made available, especially two small-scale plant closures. Inevitably some members saw attendance at the forum as a perk: “an opportunity to meet people and travel” As previously mentioned, he was concerned about “social dumping” It appeared that representational integration needed to be improved to challenge managerial control techniques if an impact was to be made on industrial relations and working lives.

In 2001 all case studies had a select committee except Opaque Glass: committees can play a key role in maintaining cohesion and interaction between meetings. The unions had not devised an effective process for “social dumping” Training could have had the capacity to transform the forum and there was also a tendency for it to be asked to endorse management initiatives.

The forum fitted with the new structure of the business. Networking and influencing key opinion formers was of value but there was a managerial emphasis on control by convincing representatives of the legitimacy of proposals. Therefore the forum focused on influencing the implementation of decisions, rather than making them, which left the British delegation marginalised, disaffected and dejected. It is
suggested the forum was not making a significant difference to the working lives of employees.

6.3 Opaque Glass, 2004

6.3.1 Change

The question was whether the forum had matured to be able to make an impact on industrial relations and be an effective representational body for union representatives, managers and other employees. The Amicus (AEEU) representative commented that a new agreement had been reached on 30 September, 2003. It had included reference to the forum’s two sub-groups (Part V, para. 4) but the other changes to the agreement appeared to be cosmetic. He said a representative steering committee had been established which consisted of the union deputy chair of the forum, himself as union chair of building products sub-group, and also the chair of automotive products, sub-group. The three had been elected in March, 2003, and the positions had been ratified at the forum in June, 2003. However, the revised agreement made no reference to the steering committee, so the company was evidently still keeping a tight grip on events.

The representative said trade union objectives in renegotiation had concerned the protection of representation for minor countries, the widening of a facility for guest speakers, an increase in the length of pre-meetings and an improvement in the arrangements for education or training. An examination of the text of the agreement would suggest that little or nothing had been achieved but the representative believed "there was more input into the agenda, there is more discussion and we have moved
The group director of human resources made reference to a tidying exercise in respect of the agreement: he commented on the timing of the sub-group meetings in relation to annual and half yearly results. The new agreement had not substantially changed anything but the steering committee would appear to offer a platform for better co-ordination and the UK delegation was not totally marginalised. On the basis of the evidence there was nothing to suggest that the impact of the forum on industrial relations had been increased.

6.3.2 Consultation and feedback concerning forum meetings

Interviewees were asked how “ordinary” employees were consulted about the agenda for council meetings. The director said it was up to trade unions to consult members regarding suggestions they wished to make for agenda items. The union representative said all members could be contacted by e-mail and he argued that younger members showed some interest in the forum. Members could suggest agenda items but it was apparent that engagement with individual employees by both management and trade unions was limited. That raised the question how managers and union representatives, not directly involved, were consulted about future forum meetings.

The management interviewee said senior management were involved in preparations for the forum and they worked through a wide range of other managers, “for instance the building products president will involve a range of managers whilst preparing a presentation” He added that feedback to management was at routine meetings after the forum:
Senior business heads and HR people feedback and cover questions that arise as they already know what the company has said but employee representatives brief the shop floor.

In contrast the union representative noted that “they unofficially brief senior plant people after the meetings” Representatives were e-mailed for ideas about pending meetings and they could telephone with suggestions. Also thoughts and ideas often emerged at sub-group meetings. He commented the forum was “mentioned to representatives at union meetings and there was some interest” The communiqué from the council was e-mailed to representatives, and “representatives can talk to members about it if they want to” The representative confirmed that the four British representatives and a GMB, FTO, still met in the UK to prepare for the forum and to debrief. He suggested it was helpful that a column was devoted to the forum in a bi-monthly house magazine, for instance, page 6 of the January, 2004, edition contained a column headed “European Forum Aids Communication” He said that pre-meetings at the forum were helpful and that the current employee chair was more open and inclusive than his predecessor. The interaction with representatives would appear to be limited and one was left with the impression that there are a few interested people who are actively involved. Again one would have to conclude that the impact on industrial relations for people at plant level would appear to be negligible.

The management interviewee considered that feedback to employees was:

Through trade union mechanisms, through the joint communiqué which is put on the intranet and company magazine articles. He added that the forum had never been specifically covered in attitude surveys. They get an overview if the trade unions do their job properly.

There seemed to be an element of going through the motions and of leaving it to the trade union. The union and management interviewees commented on a low level of
interest in the council among employees, as the focus was on issues that are closer to home. The director felt the level of interest from managers declined with their status in the organisation. He said for instance, that “European managers are very interested but not a line supervisor in Venice” He argued that those representatives who actually attended the forum valued the interaction with senior management and the half hour of unscripted questions with the chief executive. The union interviewee considered that those trade union representatives who do not attend were similar to employees in their attitudes, as they were more interested in plant-based issues but comparisons with other countries were of interest. He added that the networking at the forum had stopped management from making unjustified comparisons about the performance of other plants. Whilst networking and exchanges of information appeared to be of value the nature of the roles needed to be examined.

The director commented that management roles were so prescribed that they did not have a choice about attending the forum; however, at the sub-group meetings, a wider range of managers could be involved depending on the discussion. The union representative suggested that the creation of Amicus through a merger would result in a redistribution of British seats as AEEU/MSF were now disproportionately represented compared to GMB. There seemed to be a debate over the allocation of seats rather than interest in a role. The next stage will be to analyse the impact of activity at the forum on domestic consultative and bargaining procedures.

6.3.3 Impact on consultation and collective bargaining

The group director of human resources argued that:
The forum provides a broader context for the whole business and means that with consultation there is more attempt to explain why which helps when we get to how. The forum has no role in respect of collective bargaining and there is no discussion of policy and procedure. It is an open exchange of information and no more.

The director considered the forum was of value in convincing representatives of the virtue of management’s approach and getting help with implementation and he confirmed the limitations of the forum’s role. In other words, the forum was used to implement the human resources strategy. On the other hand the Amicus (AEEU) representative suggested that:

There is much more information now. We can see that French sites work well on a 35 hour week. We network over negotiations as the percentage agreed in a country is a signpost. Management do presentations on things like environmental issues, the Swedish standards are high so we use that. There has been some talk about a European Environmental Agreement.

He reflected on the value of information and networking which assisted with negotiation. The management interviewee considered the main impact of the forum was to make employees realise that the company would explain and discuss things and that “we operate in an open way” The representative said the business now had a much more European focus: “the information and consultation is useful so the reps. exchange views and get the best out of it” The director was focused on the statutory function of the forum and saw it as an aid to communication. In contrast, the representative commented on the indirect contribution that networking had provided. Once again the perceived impact, by both parties, on industrial relations was useful but marginal.

The management interviewee said the forum had no influence on managerial decisions but that:
It makes the management team more aware of the need to communicate properly, the questions we are asked mean we have to have answers, the many informal conversations are useful.

The representative argued the forum made the company look carefully at the location of plants across Europe, so that redeployment and reallocation of work were subject to agreement. He cited examples of how temporary shut-downs had been handled in France and Finland, whereas in the past "the company would have just done the economically expedient thing." The director referred to an improvement in reflection and analysis, whereas the representative saw a more thoughtful and co-ordinated response to managing change. At the margin the forum was seen to have had an impact on processes but there was little evidence of significant involvement.

The director noted that UK trade unionists were not experienced in the operation of works councils and co-determination so instead of seeing a shared responsibility the approach was one of "them and us." He added that while the forum was under constant review there were no proposals to develop it further. In contrast the union representative was more positive and gave examples of the value of improved international communications, which prevented events being taken out of context. The impact of the forum had been indirect with a perception of improved communication and co-ordination. This may be of indirect value to constituents as a means of addressing the consequences of short-term economic expediency.

6.3.4 Views of representatives who are not council members

Three representatives were individually interviewed with two describing themselves as "AEEU stewards" and one GMB. The level of knowledge among interviewees was
low but there was a general perception that the council “represented the Float (production) in Europe” and they had a rough idea about the date of inception for the forum. It was apparent there was little knowledge about selection methods for representatives, with one interviewee having “no idea” It was evident there was a view that the forum mainly discussed “redundancies and closures” They had seen information on notice boards about the forum and had been given reports, but the only contribution identified was the provision of “more information”. Its role was seen as limited but it was understood that it did not engage in negotiation. It was argued that management “could have taken it more seriously” and that “stewards should have been more involved” The role of the forum was seen as peripheral and not prominent in the thinking of representatives.

6.3.5 Views of employees

Two GMB workers and another who described himself as a “member of the AEEU” were separately interviewed. It was evident they saw the forum as representing them and dealing with change in Europe. It was apparent they all knew the Amicus (AEEU) representative was a member of the forum and there was acknowledgement of the involvement of top management. They had an approximate grasp of when the forum was established but there was no appreciation of selection procedures for representatives. It was known to “discuss production issues”, and while one interviewee suggested that “working hours should be harmonised through the forum”, they envisaged it discussing only “closures and redundancies in the future” It was perceived to have “little influence as it meets once a year” but it was acknowledged as a source of information. It was apparent it would have more impact if “it met more
often” and there was “better organised feedback from plant management” It was viewed as of marginal relevance and significance.

6.3.6 Views of managers

Two management interviewees had senior operations roles and the other was a middle manager. There was a good level of understanding of the role of the forum, especially by senior managers and in broad terms the membership of the forum was known. One senior manager commented:

*The forum is about communication between the company's senior management and the representatives of the shop floor unions European wide.*

It was apparent there was a reasonable grasp of when the forum was first formed. However one senior manager had “no idea about the subjects discussed by the forum” but the others had some thoughts. It was evident that managers could not identify anything they would like the forum to discuss. One senior manager suggested that in future the forum would discuss “restructuring and the general direction of the company” whilst the others saw no scope for change. One senior manager noted that apparently “only members receive the minutes” but there was reference to material being available “on notice boards” Surprisingly no reference was made to the intranet. Its impact was seen as minimal but it was considered to have contributed to improved communication. One senior manager argued that the forum had the potential to exert “some influence” whereas the others did not. A senior manager wondered whether the company wanted “to do anything with the forum”, whereas the others argued that it was fine as it currently operated and would not be developed further. The lack information about the forum was clearly an irritant. One was left
with the impression that the forum was not valued and that it was regarded as an unnecessary impediment to business efficiency.

6.4 Sunshine Textiles, 2001

6.4.1 Introduction

This case study was worthy of examination because the diversity of the conglomerate meant there was no common product or business language. Such structural factors influence the members' capacity to act when operating the forum and it affected the value of networking. Japanese owners imposed the forum on a reluctant European management who argued that the council would probably not have been requested. The complex system for representation was inconsistently applied and the forum was top heavy with management representatives. It would appear that management had lost control of the regulation of membership of the forum and of the frequency of meetings of the forum committee. In contrast to that lack of rigour, the agenda was apparently stifled by receipt of information, with structured and scripted interaction and, uniquely among the case studies, no debriefing session for delegates. It is suggested that site visits were not part of the forum meeting so as to reduce comparisons between businesses in different market sectors. It is argued that training with its potential to stimulate communication and understanding was discouraged. The attitude of management to interaction was critical.

There was tension between European and Japanese managerial teams but a joint desire to exercise control: for instance, management was determined to resist any
pressure for harmonisation. In respect of voluntary agreements, where management took the initiative to establish a forum, they tended to keep the process under their influence and focus on control techniques. The human resource manager commented that the company wanted to comply with legislation, avoid following a statutory framework and being subject to a prescriptive agreement. An Article 13 agreement was signed on 9 September, 1996 (Appendices 7, 8, 9, 10). Management saw the forum as concerning “trans-national consultation and the sharing of information”; on the other hand, the GMB representative saw it as concerning communication but there was “not a lot of discussion” The agreement was closely restricted to the requirements of the directive and the stifled and scripted meetings that followed were possibly a consequence of managerial desire to constrain the forum. A similar approach was adopted with a project group - the small review group.

Whilst a revised agreement (2001) appeared to try to address some of the problematic issues, development would seem limited. It is suggested that representatives had difficulty in finding a metaphorical common language and representation appeared chaotic, with a top heavy and inflexible management delegation. The extent to which representatives can manage relationships and achieve a semblance of coordination was essential to a forum. It is argued that the processes appeared paralysed and the forum lacked perceived legitimacy and relevance to members, managers and employees.
6.4.2 Representation

By mid-2001, the forum had met a six times and had a nomadic existence, having met in Paris, London, Milan, Frankfurt, Lyon and Chester. The agreement for Sunshine Textiles could be reviewed after five years, or allowed to roll for another five years, but the directive’s Subsidiary Requirements refers to four years in paragraph 1(e). The “repatriation” of agreements concluded under another country’s jurisdiction to English and Welsh law was rare, as there are few apparent advantages - Sunshine Textiles, where a change was made during renegotiation in 2001, being the only example among the case studies (Appendix 9). However there were numerous problematic issues.

It is suggested that European management would have preferred to have waited to ascertain whether a request was made for a forum: they believed it was improbable that one would have been submitted. The manager argued the trade unions had perceived that the company had wished to avoid being subject to a compulsory agreement; the union representative agreed that the company had just “wanted to avoid a compulsory agreement”

The management interviewee said the forum had been driven from Japan:

*The company have a large HR department in Japan and they have their ear to the ground in Tokyo; it was symbolic. They are keen to be operating within the law and they were interested in getting a voluntary agreement. It was a management initiative, being mindful of legislation. Senior management are backed by a big team in Japan. FTOs were involved from GMB, KFAT, and Amicus (MSF). The UK management took control from Japan and ran it. It took a year to 18 months, with negotiations in every company with representatives. A lot of preparatory work took place, there was mutual commitment and a positive management attitude. The Article 13 deadline was an issue, we wanted a voluntary agreement.*
In contrast the union representative suggested that the UK Human Resources Director had been responsible with an Amicus (MSF) FTO for preparing a draft agreement, which was signed at the first meeting (Appendix 10). The imposition of the forum on European management was an unpromising start.

The manager said there was

...no competition at all for places; it is seen as a poisoned chalice. Vacancies are filled on an informal basis; if someone drops out, then we suggest to someone else, they might like to do it. We then discuss it with the union and it’s decided.

She added that all three of the British representatives were shop stewards. The GMB representative confirmed there was “not a lot of competition” and noted that each of three recognised unions sent a delegate. It would appear that management at Sunshine Textiles had to solicit union nominations. The human resource manager added that “all delegates are unionised and the agreement refers to national procedures for the appointment of representatives” (Appendices 15, 16).

The management interviewee commented that there were no smoothing arrangements but that representatives were often re-appointed after the two year term. The new agreement concluded on 22 June, 2001, increased the term of office to five years. Article 5 of the new agreement, restated that there was to be a three yearly appointment of an employee co-ordinator or representatives’ chair but that post holders would now overlap for a year to facilitate a smooth transition (Appendix 14). She added that the forum contained a representative from the Czech Republic which, at that stage, had not joined the EU. She said the system of representation was complex: for instance in France, as well as three representatives from a plastics
company, there were two substitutes in lieu of two FTOs who did not attend. The substitutes were permitted to take part in the forum, yet the French chemical company delegate was not permitted to have a substitute, or an FTO. Representatives attended from Britain and Italy with six FTOs who were not allowed into the forum, only the pre-meeting. However there were 10 management representatives and 13 management observers, many of whom were from Japan, which was a total of 23. The revised agreement, of 22 June, 2001, aimed in Article 4 to reduce numbers to one expert per delegation, providing they had more than one employee representative. The GMB representative painted a similar picture and bemoaned the excessive numbers of passive managers. I had some difficulty in establishing the precise membership of the forum in 2001 and was not convinced that management had a firm grip on events. To some extent European management seemed to be pulled between head office in Japan and the unions. The unwieldy and passive forum that emerged appears to have provided little scope for meaningful interaction (Appendix 17). Having established the delegations the next issue was the role of a chair.

The manager said the real management chair was the UK director of human resources but on paper it was European operations director, who was Japanese (Appendix 18). A combination of inexperienced representative chairs, owing to a system of rotation and a puppet management chair, contributed to the malaise. It is argued that representational issues required attention.

The revised agreement tried to address issues in relation to both trade union and management representation (Appendices 19, 20). The manager commented that

... a small review group has been looking at the agreement for about 18 months. It has one Italian rep., one UK, two French, including the employee
co-ordinator, one manager from Italy, a manager from France, the Japanese finance/liaison manager and the UK human resources director. Plus me.

We want to reduce the number of people, have better quality discussions, be more focused on training (for the forum). We are also concerned about costs. In theory one FTO from each country also has the right to go to the review, but they do not do so.

The GMB representative argued that:

The term is up. We want to make it... more open for discussion and involve the FTOs in the actual meetings, not just the pre-meetings. Pre-and post-meeting briefings need to be longer. The company does not want us to meet before or after. I do not think that the revised agreement will be signed in Chester. It’s just a once a year thing to them. The company will not make changes and they have controlled the Small Review Group. The reps. were chosen by management not us, we want to see that changed. The UK rep. is KFAT from a site in the Midlands, we should be able to meet before and after he goes to a review. Meetings of the review group come and go and you don’t know what has happened.

The GMB FTO who attended the pre-meeting for the forum said, in a personal communication on 22 March, 2001, that the forum was “just another way of supplying information” and the company would not let representatives make an input. Questions had to be tabled months in advance and there was no real information. He argued it was an annual formality with a lot of social activity. He added there were going to be problems about renegotiation but a new agreement was signed in Chester.

A statement of intent was agreed to address representation; it was in Article 4 paragraph 1 (c) and, in exchange, there were concessions about experts. It was agreed that FTOs could attend meetings as observers (paragraph [b]). Article 6, paragraph (3) dealt with attendance at meetings and reinforced the point by reference to a table in Appendix 1. It is suggested that it appeared possible that change may occur.

The union interviewee at Sunshine Textiles said representatives had requested a meeting near a site to facilitate a visit but the company were not keen. The reason
may be that, in spite of its name, the textile business covers a number of other business sectors. It was alleged that management had manipulated the membership of a small review group dealing with renegotiation and that communications were poor (Appendix 21). Every aspect of managerial and union representation appeared to be problematic and contribute to the ineffectiveness of a sterile forum.

6.4.3 Control

The human resource manager at Sunshine Textiles said the company had strong regulations about protecting information at the business and the agreement contained rules about confidentiality, which were further strengthened in the new agreement (2001). In contrast, the GMB representative thought the sort of information that the company gave delegates was “not confidential anyway” (Appendix 26). Again there was a perception of an empty process. Feedback of information was also problematic: it was possible that in a conglomerate it was not seen as desirable. The manager said there was feedback at team meetings and in 2000 a new magazine was introduced to which representatives would be able to make contributions about the forum. She suggested there was a lack of understanding by employees of the role of the forum and that perhaps an article may go some way to address that issue: it was unlikely to be enough to change the levels of disinterest. The GMB representative said the minutes for the forum were put on notice boards and representatives passed information to members. He argued there was an absence of interest in the forum, a lack of perception by employees and few tangible benefits. Apparently it was understood that communications and feedback were failing to engender interest and it
would seem the limited steps taken would have little effect (Appendix 27). It is suggested that the forum had limited impact on employees.

The management interviewee said that a forum committee

... consists of the UK director of human resources, the Japanese financial/ liaison manager and the employee co-ordinator. It agrees the agenda and organises administration. It meets three or four times a year. That has been cut down from seven or eight times a year, this year (2001). The Japanese are very political, there is lots of liaison. It meets in some company offices in London. It's very effective. I do a lot of work with it. It makes things happen.

The union representative described a similar picture and it seemed extraordinary that the forum committee met seven or eight times a year just to set an agenda (Appendix 21). The cultural influence of the Japanese owners had clearly played a part, as it would seem that for political reasons there were many lengthy and unproductive meetings. He said the employee co-ordinator had made proposals about agenda items with little effect.

The manager noted that at the last forum (2000) there had been an opening address, new members were introduced, financial results were discussed, as were employee trends, global investment, safety, training and performance. She added there was also some feedback from the small review group. She hoped the meeting had conveyed information and created a shared understanding. However, the scripted nature of the forum was considered problematic to the representative who complained of a constraining structure and the receipt of information without interaction.

The GMB representative said questions had to be submitted by a certain date, which stifled any discussion or response to what had happened: they had not been informed
about international transfers and redundancies. He questioned the value of the entire meeting. Managerial control strategies were evident and the agenda was constrained by the receipt of information and the absence of open dialogue, so that the meetings were ineffective. Again it is argued that employees were ill-served by the process.

The next section will consider how the agenda was managed at the forum.

The manager commented that employee representatives gathered in the morning and had a pre-meeting with FTOs in the afternoon. In the evening there was a dinner with senior management; the next day there was a joint meeting in the morning and one subsidiary was then examined in detail. She wondered if the rest of the delegates then “switch off” if it was not about their subsidiary business. Questions may be asked by delegates but only on matters arising, then there was a partially joint lunch, subject to flight times. There were scripted answers to questions previously submitted by delegates as the Japanese managers from head office “do not like unscripted discussion”. There was no debriefing for delegates after the forum. She added that site visits were not held but some could be arranged if the forum membership could be scaled down in renegotiation. In contrast, the union interviewee argued it was “dreadful that the FTOs could not join the actual forum meeting”. He considered that was “far too much information and not enough discussion”. The lack of debriefing frustrated the attempts of even the British representatives to try and co-ordinate activities - he said they had managed a 30 minute unofficial debriefing last year (2000). The forum was spread over two days due to pre-meetings but Sunshine Textiles was the only one of the case studies without an official debriefing period. This was not addressed in the new agreement (2001) (Appendix 23). The sterile proceedings and lack of debriefing raise questions about the value of the meeting.
The manager suggested that one of the reasons for problems with the forum had been an absence of training (Appendix 25), which could provide a method for communication and support. In a revised agreement a five year training programme was included with two days of training per annum. The topics over the next five years were to be financial understanding, cross-cultural understanding, individual countries' industrial relations, welfare in each state and wider issues across the business. The training would seem to offer a glimmer of hope in an otherwise dismal picture.

6.4.4 Impact on industrial relations

The human resource manager said the forum was:

A valued exchange of information, especially informally, which can be useful. It provides reps. with access to the top Japanese people and it gives representatives an insight into the wider undertaking. Top management receive trade union views in an unfiltered manner and there is certain amount of bonding between managers and reps. over a drink. I feel that there is a little bit of strengthening of the corporate culture....If it is to evolve and develop, then better quality discussion is required. Maybe the five year plan for training and a reduction in the membership of the forum will help.

The manager argued that networking, understanding and bonding were the main values but that that the forum would have to change for it to develop.

Management argued that the forum had many weaknesses as the diversity of the business had made it difficult to identify common goals and objectives. She suggested some representatives regarded the forum meetings as “a holiday abroad” and commented that the networking by representatives in different business sectors was unhelpful. She considered there was plenty of good information but the
communication was downward. She regretted the constant pressure to negotiate, from the French, which would always be resisted, but she suggested that representatives had got the message about the impossibility of harmonisation. The Japanese owners appeared to dislike open discussion and debate around those multi-national issues that could be found, which inevitably frustrated the representatives and affected the performance of the forum.

The union interviewee said it was useful to network with representatives from other countries and senior managers. He argued there were few opportunities at the forum because of the way it was controlled by management. He saw no real threats - he had just felt disappointed and cited a weakness as a lack of training, especially for languages. He regretted the focus on information and added that “management only tell you what they want you to know” He argued that the failure of the company to agree to a debriefing for delegates had contributed to frustration and he considered that members could not see the relevance of the forum.

The GMB representative valued the opportunity to network but little else. Serious issues remained over the stifled interaction and the lack of common ground between delegations. It is argued that the forum lacked meaningful interaction, perceived legitimacy and relevance.

It remained to be seen whether a revised agreement for the forum could inject new life and make it a process that embraced cohesion and interaction. The training plan may transform the forum and it was possible that the composition of the delegations could
be managed. It appeared much had to change for the forum to make a contribution to industrial relations.

6.5 Sunshine Textiles, 2004

6.5.1 Change

The human resource manager and the GMB representative were asked what had happened in the intervening period to the forum and what impact it had on industrial relations. The new agreement of June, 2001, had been signed shortly after the last interviews. The plant closures were discussed in the previous chapter and meant activity in the UK division was concentrated on Nottinghamshire, site B, where 50 new jobs were created. Staff in the North West had the opportunity to transfer but only two managers did so. The closures were due to competition from China and a single union agreement operated with Amicus at the remaining site.

The manager said the first day of the two day forum was now spent jointly undertaking training and site visits. Attendance by managerial representatives had been scaled down so that they approximately equalled the number of union representatives: the revised delegation was reduced from 23 to 12/13. (Appendix 24) She said:

...that questions and answers are still scripted but there is more team work and interaction. For instance in 2003 training was about best practice for safety. The representatives' chair will now shadow for a year when handing over to a successor with effect from this year. Smoothing arrangements will ensure continuity as was envisaged in the 2001 agreement. More logic has been introduced into arrangements concerning FTOs, fewer now attend but they are all involved with the meeting.
The manager commented that forum meetings now took place at a site rather than a hotel which facilitated site visits and it had continued to meet at a different place each year, i.e. Alicantara Textiles, Terni, Rome, 2002, Sunshine Textiles, Central Europe, Prostejov, Brno, the Czech Republic, 2003 and Carbon Fibres, Pau, France, 2004 (Appendix 19). With the closure of Nottinghamshire, site A, which had one delegate, the number of representatives from Nottinghamshire, site B, had been increased from one to two. It became three when the site in the North West closed in September, 2004. She argued that "the forum had been given a new lease of life" but that view was not shared by the union.

The GMB representative argued in contrast there had been no real change and those that had taken place were orientated "around saving money on hotel bills and air fares from Japan" He considered that:

...the joint training and the site visits are the best bits, the meetings themselves are still a waste of time, it's just the same scripted questions and answers as before.

It would appear that the impact on plant and company industrial relations was minimal.

6.5.2 Consultation and feedback concerning forum meetings

Interviewees were asked how "ordinary employees were consulted about the agenda for council meetings" The manager said that the employee co-ordinator, on the select committee, liaised with other representatives who discussed issues with constituents. In contrast the GMB representative argued that everything was left to the forum committee: "there is little interest with little or nothing being put forward". He added that union representatives were "briefed about the forum at the factory committee but
there is not much discussion either before or after” The manager commented that minutes were taken at the forum which were agreed with the select committee and distributed through the factory committee and notice boards; reference was also made at team meetings. She added there was always an article in the company newsletter, with the June, 2003, edition containing five pages with photographs of a site visit and wine tasting before an evening dinner and a great deal of information about performance and investment. She was unable to identify any specific mechanism for briefing the managerial team either before or after the forum. A wine tasting session on the eve of the meeting would appear to indicate the forum was not taken seriously.

The representative argued that knowledge among ordinary employees was “next to none….with not much interest” He also suggested that managers were “not all that interested”, with a similar picture for union representatives who considered that “what is discussed is not seen as relevant” The manager identified that at plant level employees “could be insular and not see the bigger picture” and she argued the same applied to managers. She said “trade union reps. who are not involved are not bothered” The GMB spokesman said the British representatives were “shop stewards who were deliberately picked by the company to stifle it” He commented that the system in France and Italy was better whereby representatives were elected and hence accountable. The manager explained that a lot depended on the enthusiasm and commitment of individual delegates and said “a new rep. for Amicus at (Nottinghamshire, site B) is very keen” It is suggested that limited efforts were being made to engage disinterested people.
6.5.3 Impact on consultation and collective bargaining

The GMB representative considered that the forum had “little or no impact on joint consultation or collective bargaining, as it was seen to lack relevance and to be remote” He said that:

*The company is just plodding along, with as little cost as possible, the language barrier is a problem but the company will not pay for training, they do not want you to communicate. So we cannot talk to the French and German reps. about wages and conditions outside meetings... The meetings have not done anything for the Brits. The other UK reps. keep changing. (Nottinghamshire, site B) have sent a different rep. each time. There is no continuity but the company likes it that way... It’s hard to say where it is going, I’m not going to be involved anymore.*

The human resource manager said the forum had no impact on joint consultation or collective bargaining in Britain, though the French unions had tried to use it to claim parity. She argued more information was now available but that its impact was marginal. She added there was company-wide bargaining already in the UK and that soon the business would be located on one site in Nottinghamshire. The sharing of best practice concerning issues like safety could have an indirect effect but the diverse nature of the conglomerate meant it was difficult to find common issues. She suggested that a bigger picture “opens eyes for those who want to see”; people realise “that working conditions in the UK are not so bad after all” She said:

*There are intangible outcomes like better information, networking, discussing and influencing. There was more knowledge about how other countries consult. The forum would be more useful for a business with one product or market. We are a diverse group so the discussion is of limited benefit. Training and joint education is the best outcome. If there was a major restructuring there would have to be an emergency meeting and the forum would have to be told at the same time as the stock exchange. I hope it never happens.*
The GMB representative argued that nothing was contributed; in contrast, management saw a limited contribution but the impact on industrial relations would appear to be minimal.

6.5.4 Views of representatives who are not council members

Three GMB members of the factory committee were separately interviewed. They were all aware of the existence of the forum and there was a general appreciation that it had been around for "about 10 years or so". There seemed to be some bewilderment that anyone should be taking an interest in such a body. There was an understanding that the forum "represented the company in Europe" or "represented us in Europe". Two interviewees had no idea how representatives were selected and one suggested "the management ask people to go". There was a prevailing view that the forum dealt with "shut downs and rationalisation". They had all seen, if not read, material on the notice board and agreed that it had been mentioned at the factory committee and "in the company paper". It was suggested that the forum "was just a talking shop" but "we do get some idea about what's going on". It was regarded as distant and peripheral with limited relevance to events on the ground and it was viewed as controlled by management. Again the contribution to industrial relations seemed to be limited.

6.5.5 Views of employees

Three employees were individually interviewed, who described themselves as "being on the weaving side" but did not wish to be more specific. They were members of GMB. They had all heard of the forum and saw it as being about "our place in
Europe” or “European issues” They all knew that the GMB lay official represented the site at the forum. One said “it beats working for a living” and it was understood that senior management were involved. Each one appreciated that the forum had existed for some years and had seen reference to it on notice boards or in a newsletter. They had little knowledge of what took place or why but there was some appreciation that it was a source of information “about Europe” They had no thoughts concerning the forum’s future direction and it was clearly of little or no interest to the interviewees.

6.5.6 Views of managers

Three managers were also interviewed, two were from weaving, with one a senior manager and another in middle management. The third interviewee was a middle manager from logistics. The senior manager had “no idea” of the role of the forum, the middle manager from logistics incorrectly suggested:

I assume to have a cross-section of people within the EU to meet and help to standardise working conditions, to have a level playing field for all members.

The senior manager had no idea who was on the forum and the middle managers could only make reference to a cross-section of people from companies across the EU. There was complete ignorance concerning when the forum was established and they had never had any involvement with the forum. They were “unsure” or had “no idea” what it discussed. They had never had any feedback concerning the forum and made no reference to the various methods used by the company. They had “no knowledge” of its impact or it had “no impact” or there was “none”. Explanations were offered for the lack of impact. The senior manager said:
It is not made public what it is about and how can a European decision be effective about local issues? I don't know what they get involved in or about what issues. I think we need to ask how much the forum costs and how much return it gets.

The middle managers said: “It has not registered with me”, “I'm unsure how it could be improved without knowing what it does” and “they need to make whatever they are doing available to a wide audience”.

It would seem likely that the human resource manager would be horrified by the managerial response as the shop floor appeared to be marginally better informed. It was evident that managers do not read the company newsletter or the notice boards, nor are they briefed by those directors and managers who attended the forum. Again one must question the benefit of the forum to industrial relations and those it aspired to represent.

6.6 Tasty Food, 2001

6.6.1 Introduction

The case study at Tasty Food illuminated a number of useful points. It was an agreement at a major international business, which was reached through the Article 6 route as a result of the American owner’s antipathy to trade unions. A more pragmatic approach to unions was adopted in UK operations. When confronted with the inevitability of a forum there was a transformation in managerial attitudes with a supportive approach to delegates and the creation of a select committee, which had some influence over apparently limited proceedings. As with Opaque Glass, the
forum coincided with a restructuring of the business to a European wide operation and it had both a common product and business language - food. The forum was confronted with being excessively dominated by British delegates, therefore stifling interaction and marginalising other representatives: once again international relations were challenging and affected networking. The facilities and discretion granted to the union chair were unusual in their scope but the forum itself was operated within a vacuum. As with many forums there were some British non-union delegates who presented a fresh representational challenge for trade unions and there were also problems concerning feedback to disinterested employees.

The management interviewee at Tasty Food, the human resource manager, Northern Europe, confirmed that no voluntary agreement was made, as the American parent company did not advocate EWCs. Nevertheless, the business has been restructured in recent years, to give it a European focus, so that the EWC concept was seen as less incompatible with objectives. The manager argued that the forum “has become compatible with the European focus for the business”, and added “we do listen to reps. and they wanted the structure” It is argued that the company saw the forum as another means of driving the human resource strategy. Agreement was reached on 3 June, 1999. The trade union interviewee, the union chair, suggested the company had recognised it would be compelled to set up a forum, so that the business saw no purpose in continuing to be obstructive. He commented that “more and more pressure was being put on the company” to establish a forum. The objectives of the forum were important.
The management interviewee argued the main objective was to focus on European-level discussions; in contrast the union spokesperson referred to the importance of communication, information and consultation. He suggested it “was about opinions so far, with no say in business decisions” He added that “any information we come back with means we are fully armed for plant-level bargaining. It helps create a level playing field, that’s what it’s all about” With the advent of EWCs it was now harder for management to “play off” employees in one country against those in another. The parameters were set by management to constrain expansion of the role of the forum. However, within those limitations, dialogue was facilitated, which the trade union had found useful for other procedures (Appendix 7). The terms of reference needed to be explored.

The terms of reference for the agreement were considered by the manager to comply with the directive and refer appropriately to “information, consultation and involvement” The union representative agreed that areas of competence included those specified. They had “been informed of restructuring and five or six plant closures”; also of “health and safety issues” and “environmental ones” (Appendix 8). The terms were conventional.

6.6.2 Representation

The agreement was governed by Italian law, as set out in section 13, paragraph 1 (Appendix 9). The trade union European industry federation for food, ECF-IUF, organised a meeting in Rome in 1993 to lobby for a EWC. The focus on Italian law remained, though the agreement was ultimately signed in Lisbon on 30 June, 1999. A
new European business structure and American hostility to the concept of EWCs, were more significant than Italian law. The forum was well supported but confined to a limited role.

For six years representatives struggled to achieve a forum. The manager analysed the process:

...that the forum was driven by senior people and eventually myself. After the European trade union federation for food (ECF-IUF) organised a conference in Rome in 1993, the trade unions kept pushing it. Management were not keen in 1993. That was even before the Directive (in 1994). The concept of cross country consultation was not so well developed, the business was more on a country by country basis. Getting the operations in different countries together has made more sense of the EU level. We had to respond to the legislation and we are now more European (in structure). Some trade union groups found it hard to work together. Initially there was a negative management attitude. A FTO for Amicus (MSF) was very active and so were three T&GWU officials. In 1996/97 there was a steering group of the key players, mainly UK and Italian. In early 1999 there was an SNB with each country represented. Marcello Ries was the trade union Italian expert. In June, 1999 we had an agreement in Lisbon. In September/October the EWC existed. (Meaning the committee of employee representatives.) In October, 1999 Marcello Ries organised some training in Venice.

The union chair explained the adversarial position:

...the idea came from the 1993 conference, organised by ECF-IUF in Rome. The company stonewalled us until 1998. A negative management attitude was encountered for several years. The unions had asked but a voluntary agreement was not forthcoming. The USA corporate body could see no point in it. The US did not favour it, or the expense. They did not do it anywhere else, so why Europe? They managed without it in the rest of the world. UK management considered that existing mechanisms were adequate. But they did not want to be dragged.

He continued by examining a change in managerial attitudes:

Once the company bought into it, there were short intervals between negotiations from 1998-99. The management team was led by directors and personnel. (At the main plant in the North West of England) T&GWU and Amicus (MSF), FTOs had pushed it and Marcello Tocco, deputy general secretary of ECF-IUF. The FTOs with experience were left to get involved. As the deal got close one representative from each country was present. (The SNB). I went for the T&GWU and a rep. from Amicus (MSF). We were
elected from a meeting of all senior union representatives. About 1998 the SNB came into its own and it met, maybe six times in two years.

It is suggested that American management at Tasty Food was initially negative and adversarial in contrast to the attitude of the Japanese parent company at Sunshine Textiles, which effectively imposed a forum. The country of origin for a parent company did have a significant effect on the facilitation of forums. A trade union expert played a key part in assisting the representatives, and members of the SNB were trade union appointees in the UK; in other countries they were nominated by works councils/trade unions. The union interviewee confirmed the forum met once a year. The first time it met was in November and the annual report had not been available: they had not wanted to meet any nearer Christmas, so now they met in January or February (Appendix 11). The conflict over the concept was replaced by more constructive interaction though restricted to the statutory role. The company appear to have remained firmly in control in a forum which included the most senior staff.

The manager noted that the chair was taken by the European human resources director and that the union chair derived his position from being chair of the representatives' body, which was called the EWC. However, he said the company considered the EWC and the forum to be one body. He commented there were 12 senior managers at the forum, one from each area with a human resource manager and one from each of the company's six core product areas. The union chair confirmed that the top manager from each area attended (Appendix 24). Again representational arrangements were conventional.
It is argued that the company remained in control. For instance the manager said the facility to call emergency meetings had never been used and there had been two major acquisitions which had, “by chance”, been just before a scheduled forum meeting. He added “it is difficult to balance stock exchange rules with obligations to the forum” The union interviewee wondered if it was really a coincidence that major acquisitions had twice taken place, just before a forum, when they would have warranted an extraordinary meeting (Appendices 12, 13).

The manager noted the term of office was four years, though representatives could again stand. He added that “the company has taken over a UK business with 3,000 employees; do we really want another six UK reps? It’s going to be out of kilter” The union chair said the allocation of seats was reviewed every four years. In theory there should be one representative for every 500 delegates:

_The UK should have another six seats with a recent acquisition, the problem was swamping by the UK. At present two reps., who were on XXX’s forum before we took them over, come as observers._

The potential marginalisation of non-British delegates would stifle the forum and render it almost a national forum. In any event it is suggested that interest in participation was limited.

The manager said there was little interest in being a representative. The union chair said that at a plant in London, since closed, the unions could not agree to whom a seat should be allocated, so therefore there had to be an election. However, he said that was an exception, as it was usual for the union to nominate representatives. He was a T&GWU convenor, as were the other North Western delegates - Amicus (AEEU) and
two for Amicus (MSF). It is argued there was a lack of interest in participation, indicative of the forum’s perceived influence (Appendix 14).

The union spokesperson agreed the company had correctly insisted all employees should be represented; therefore two non-unionised constituencies were established. The provisions for election and appointment were set out in the agreement, which also referred to its geographical scope (Appendix 16). Trade unions needed to demonstrate their representational role by standing in non-unionised constituencies, otherwise their validity could be undermined in the eyes of management and a dual system of non-union representation could emerge.

The management interviewee commented that the company had a standard phrase to summarise the operations of the business: they had “six core categories, 30 businesses, operating in 50 locations, over 23 European countries” He listed the nine EU countries represented at the forum. He noted that the firm had recently purchased a business in the Czech Republic but there had been no question of representation (in 2001): the selection and appointment of representatives was subject to national law and custom. He added that the “UK unions appoint the reps. to their seats and the non-union seats have a procedure to follow for election”

The union representative said:

...the method of appointing or selecting reps. is as set out in the agreement. It’s according to national law and local custom. We went for an employee threshold of 50, so as to include as many countries as possible. The business operates in several eastern European countries that are not represented on the forum, like Hungary, Poland and recently the Czech Republic. In effect the branch elected the T&GWU rep. that’s me - and the other unions did the same. An agreement was reached between the unions, except at FFF, which has now closed, where there was an election. There were two non-unionised
seats at XXX, the HQ in London and YYY (in Shropshire). There was a note on
the board and if more than one person had had a go, they would have had to
have an election.

He went through the pattern of representation by country and added that:

...a FTO for the European Industry Federation goes (ECF-IUF). The UK
has seven seats and six reps. go. The ZZZ site has been sold so the seat
is vacant. There are three from AAA (in the north-west), that's one
T&GWU, Amicus (AEEU) and Amicus (MSF). Another Amicus (MSF) goes for
(Cumbria) and the two non-union.

The chair of the EWC was the representatives' chair in the joint forum with
management and was deemed to be El Presidente. The union chair said that there was
"no chair of the meeting, as such", the management and representative chairs acted
jointly. There was nothing in the agreement or reports of workings of the forum to
substantiate such elevation. He agreed that in effect the human resource manager,
Northern Europe, was the management chair, though he was not so designated. Some
fundamental misconceptions were evident about basic roles. From an inauspicious
start the forum had established a representational structure that gave the union chair
some discretion but it operated in isolation, given the lack of interest, and with
management firmly in control.

6.6.3 Control

The forum by 2001 had met twice: first in Frankfurt and then in Brussels. The SNB
had previously met in Amsterdam, Barcelona and Lisbon. The forum has had a
variety of venues and did not appear to be rooted to a particular country (Appendix
19). Section 11 of the agreement allowed for both parties to terminate the agreement
with notice - the agreement may be renewed after four years, and then for another four
years, unless notice was given (Appendix 20). The forum was also supported by a sub-committee.

The manager confirmed that the business had what was termed a steering bureau and noted that

...the membership includes two senior managers. I am one and also two senior union representatives. The union chair is one. It is an administrative body. It does the agenda and communication after the meeting. It would consider a request for a special meeting. It meets once or twice a year, before and after the forum. It meets at (London headquarters) because it is handy for Heathrow. It meets maybe for a day or two hours. I think it's very effective.

The union chair agreed with the above and provided more detail. He added that:

The select committee has me, as chair of the reps., the secretary for the reps., an Italian lad, the chair for the company and the human resource manager, Northern Europe. We've now got a German as well, who acts as minute secretary and network correspondent. We do the agenda, advance communications, minutes, training and arrangements. It meets about twice a year, before and after the forum. Usually, one day in October and two hours after the meeting. We meet at (London headquarters) as it is handy for Heathrow, for the people coming from Italy. It does what it is supposed to do. After the agreement was signed, authorisation was given for me, as chair, to visit Holland and Italy to see other representatives, as necessary.

It appeared that the bureau functioned well. The latitude extended to the union chair was generous but the international travel and teleconferences were exceptional. The bureau had extensive scope to operate in defined parameters, which amounted to an executive role (Appendix 21). Whilst this could stimulate networking, there would appear to be negligible scope to translate that into meaningful EU-level activity and that would seem also to apply to the agenda.

The union interviewee said about the agenda:

Delegates send me e-mails. We do video conferencing and use the post.
We reach an agreement. We cannot do everyone's ideas. I have to make a decision about what to do. At the first meeting of the forum I felt on my own asking questions. Now I am getting more support from the other representatives at the forum. The agenda items are then tabled at the steering bureau. At the last meeting (2001) the agenda went something like this. In the morning the company discussed the business plan, acquisitions and business projections. There is a lot of management information; we raised health and safety at the last meeting. There was a fatal accident in Italy. The company responded by providing a health and safety course in Chester for 150 people. Only English speaking people were invited to save money on translation. Italian employees were not told about it. We also raised the transfer of production of baby food to a contractor in Italy. They got glass in the food. It should have stayed in-house. Market conditions are best in the UK. We have to ask where is the best place to produce. We need language training in the UK anyway. One Dutch rep. is brilliant at languages. In the bar people are left right out of it, if they do not speak English. In the afternoon the reps. had a meeting. There were issues over travelling time and associated problems.

It was apparent that the union chair tried to achieve a consensus over agenda items that were then tabled to the steering bureau (Appendix 21). After an inauspicious start, in which the forum just received information from management, the representatives at the second meeting were at least striving to question management about inter-national health and safety and production transfer but management were mindful of the statutory parameters. The next issue was the proceedings themselves.

The manager outlined the proceedings and stated that:

The reps. have a private meeting in the afternoon with translators. There is final prep. for the meeting for managers. The steering bureau has already agreed the agenda, two months earlier. There is a joint dinner, with senior management. The second day starts off at 8.00 am. There are a number of presentations by management. There is focus on business performance, activities e.g. groceries, seafood, etc. Also projects might be discussed. There are questions and answers. At 2.00 or 3.00 pm the reps. or EWC, as we call them, meet for about 30 minutes, or maybe an hour. It is possible that members of the steering bureau could stay for third day to agree communications.

The union elaborated certain points:

The steering bureau meets before and after the forum. I get ideas for the
agenda about a month before the steering bureau. Reps. have a pre-meeting at 2.00pm for four to five hours. There is a joint dinner with the top people, the next day there is a joint meeting and then lunch. That can end around 3.00pm. There is a debrief for reps. from say 3.00pm to 4.30 pm. Some people have to leave for planes. The Dundalk rep. has to get up at 4.00 am to go to Dublin, so he is very tired. We need another night or later flights for the debrief. The steering bureau may stay another day to seek agreement on action plans and the communique. A week later, the reps. have the minutes and copies of all presentations. Some slides are not copied for reasons of confidentiality.

The opportunity for the steering bureau members to take an extra day allowed representatives to co-ordinate their activities: this was in contrast to Sunshine Textiles where debriefing was not provided. The discretion granted to the union chair to undertake a site tour was also unusual and a valuable link but the scope of activity was controlled (Appendix 23). Joint training was one method of trying to release the potential in the forum.

The manager said that when the forum started some training was organised by an expert from the trade union European industry federation. He said there were few new EWC representatives and it was left to the employing unit to train them; he added that there had been some language training. The union interviewee said three days' training had been organised by a trade union expert in Venice. The only company training which representatives received concerned financial details and had been for collective bargaining. He considered that language training needed to be developed and noted it was provided for managers. The use of simultaneous e-mail translation devices sometimes meant meaning was lost (Appendix 25). The agreement referred to payment for training, so there could be scope to arrange it.
The manager said that confidentiality requirements were set out in the agreement and that respecting it was a condition of appointment as appropriate items were clearly labelled. He added that any breaches would probably be regarded as gross misconduct. The union chair commented that the content of some slides was not passed to the workforce as they were marked confidential. He did not consider it a problem for delegates (Appendix 26). The matter of feedback had proved challenging.

The manager commented that a communique was prepared after the meeting. It was distributed with discretion and there was feedback by shop stewards to employees, who were parochial in their response (Appendix 27). Time off was dealt with on the basis of what was reasonable. He added that management feedback was based on the same documents and he considered the networking opportunities afforded to both management and unions were valuable. The union interviewee referred to the intranet and regretted the company had not wanted the union to contribute an article to a newly published magazine. He said there

... are opportunities; we are concerned about getting our fair share of work in Europe. There was a difficulty over work sharing with Italy, for instance. We have to communicate so that we can see that other people abroad face the same problems. It gives the European situation a more human face but we have to fight our corner. People begin to see why we emphasise quality, because of competition from abroad.

Representatives had been censured when they had tried to contact the external media. It appeared there was limited interest from constituents and some issues with trade unions in other countries. The forum had given the chair and committee considerable scope to exercise their initiative within a void. It is argued there were signs that the forum was given legitimacy but it needed to deal with issues of substance and relevance to people at work.
6.6.4 Impact on industrial relations

The manager argued that a major strength was the opportunity to review the business on a European scale. There was a great deal of networking by management and unions on both a formal and informal basis and he suggested the forum would develop to enrich the corporate culture at EU level. On the downside he said that:

*There is an inevitable duplication in information given and I am not sure that the unions realise the limitations of the forum, in terms of what the company wants to achieve. On the positive side, it makes people think about the bigger picture, in terms of the globalisation of business. It fosters and co-ordinates the new European view of the business. I also feel that it develops partnership, in that people realise we are all trying to run a business in a highly competitive environment. I do however fear where the unions want to take this, in terms of collective bargaining. We have a professional relationship in which we manage collective bargaining locally in relation to history, culture and custom, and practice.*

He foresaw increased European co-ordination but had strongly adversarial views about the use of the forum for collective bargaining. He envisaged as problems the duplication of effort with communications and unrealistic trade union expectations; he was also concerned that sometimes plant managers had been excluded. Trade unions were using opportunities to achieve co-ordination, as they aspired to European-wide statements of intent or framework agreements, which would be alien to management.

The union chair said that:

*The forum has stopped the company playing one locality against another, we all speak to each other now. The company never did that much anyway. The trade unions in the USA have asked if they can join. It would be a worldwide council then. It has led to broader knowledge of culture and business. For instance, in the UK we have fixed shifts and overtime, in Holland, they prefer flexible shifts and no overtime. Which way is best? More information is useful. We should be setting minimum standards now, with a view to raising them, in search for best practice later. The access to key directors and the big picture is valuable. The inter-union problems have been well managed so far.*
The company was less able to make "coercive comparisons" about performance at different plants if representatives exchange information. However, the union interviewee added that Tasty Food had not recently engaged in "coercive comparisons", though "social dumping" issues had arisen. It would appear that any drive to use best practice, which involved making a claim for harmonisation, would be strongly resisted.

The union interviewee commented there was too much focus on information and regretted the exclusion of negotiation. He also argued that the infrequency of meetings frustrated the development of teamwork and he suggested meetings could be lengthened. He considered that language training would assist representatives in social interaction and networking. He said confidentiality was a two-way process in which participants had to be respected. He was aware that conflicts of interest arose between representatives but argued they could be managed. He would have liked to have seen company-level bargaining in the UK: FTOs pressed for it to be introduced but that pressure took place away from the forum. He said unfortunately some members saw attendance as a perk and there were always issues about parochial attitudes. He was concerned about managing the issue of UK dominance of representation at the forum. He knew the co-ordination between representatives could be improved but said that it was "early days".

In conclusion it would appear the company would not concede negotiation of key issues such as pay and core conditions. It would seem that the only way any negotiation could be introduced would be piecemeal basis and concerning less contentious issues in framework agreements. Such agreements could then be cascaded.
and adopted locally in an appropriate manner. The company was also unlikely to agree to deviate from the requirement of the directive (*Subsidiary Requirements*, paragraph 2) for the timing of meetings. Seeking some kind of extension pre- or de-briefing would appear to be more fertile ground. The extension of the forum to include the USA was highly unlikely given the American management’s antipathy to trade unions. It must also be remembered that it took six years to persuade American management that an agreement should be negotiated. In spite of generous provision it is argued that the company was determined to restrict the role of the forum and ensure that it operated in a vacuum, with limited impact on industrial relations.

6.7 Tasty Food, 2004

6.7.1 Change

It did not prove possible to re-interview the human resource manager, Northern Europe, due to his pressure of work, but another interview with the union chair did proceed in order to explore developments and changes. The union interviewee confirmed that forum meetings had continued annually. The two delegates from a British acquisition who had previously attended as observers were now delegates. That was in lieu of the six delegates to which the subsidiary was entitled due to employment levels: “the shortfall was an attempt to prevent the UK delegation overwhelming proceedings” However, the UK now nominated 11 of the 30 delegates which, in spite of voluntary restraint, made it the dominant country. A company in Holland had been acquired and “they sent three new delegates”, four more joined
from new members on 1 May, 2004. He added that “the four-year agreement ended on
3 June, 2003 and had been renegotiated” The changes appeared to be cosmetic:

There were six meetings over an eight to nine month period to renegotiate. The only significant change was an increase in the number of delegates. Two came in from XXX, UK and three from Holland. The rest was tightening up and clarification. It was reasonably good. EFFAT (European Federation of Trade Unions in the Food, Agriculture and Tourism Sectors) has been represented by an Italian FTO.

A new council was to be appointed or elected and met for the first time in Barcelona, 4-5 May, 2004. The general thrust of the union interviewee’s comments was to
describe continuity, with facilities provided by the company but with little of
substance achieved and a low level of interest created. The dominance of the home
country in delegate numbers would appear to be challenging.

6.7.2 Consultation and feedback concerning forum meetings

The union spokesperson said that as chair he wrote to each delegate to seek their views. Items that emerged were raised at the steering bureau and issues could be mentioned at shop steward and branch meetings. He added that “the branch covers just the site but it is not well attended”, typically only 30-40 people attended. He suggested that shop stewards, not directly involved, had some knowledge about the forum but “the shop floor are less well informed and have less knowledge. They see it as a once a year thing, bit of a jolly” He acknowledged that consultation about the forum meetings was mainly with delegates who “just told shop stewards rather than consulted, there is not a lot of discussion” A picture emerged of a few well informed people, but he cited one item that had generated interest known as Delta:
...an initiative on a European basis to improve efficiencies, it had been used in the USA and resulted in job losses and plant closures, obviously there was interest in that.

However the emphasis appeared to be on receipt of information, about rolling out an American initiative across Europe rather than discussion, consultation and involvement.

The union representative commented that feedback was given at monthly shop steward meetings and at poorly attended branch meetings. He said:

*It's a simple process, the steering bureau stay behind after the forum and feedback is produced which goes to every country. Things are put in the company magazine called the European Forum. With shop stewards there is not a lot of interest, it is seen as being on a different level and plane. But it's nice to have contacts, it lets people know there is an opportunity to discuss things.*

He added that presentations from the company were very detailed. Again there would appear to be limited interest but there were useful contacts and some of the information was valued.

The union chair suggested that interest among employees and managers was "very low" as it was "not relevant to what they do on a day to day basis". He added that there was little feedback from management who see it as "a talking shop". He considered the knowledge among shop stewards was "low to middling", but people saw it of value to mix with representatives from other countries. Whilst he suggested there was competition between unions for posts, he considered that most stewards were not interested. He noted that in two constituencies elections would be held for seats. At site AAA and site BBB it was between Amicus (AEEU) and GMB, and at site CCC between T&GWU and GMB. Previous arrangements over the allocation of seats between unions had not been repeated. The focus would appear to have been on
inter-union struggles rather than the value of posts. It is argued that the forum seems to be regarded as having some value in terms of information but otherwise of being of limited significance to people at work.

6.7.3 Impact on consultation and collective bargaining

The union interviewee considered that there was interest in the work of other plants:

*The lads realise that we compete with Europe for work, they do not threaten to close us anymore, they say we can bleed to death. Our costs are high compared with Europe but our quality is better, the anti-union laws help us compared with Europe. For instance the company tried to put TK (tomato ketchup) into XXX, Holland and we had to work with the Dutch union over it. The company say we have to stay lean and mean to survive. There is always a threat from other plants. We see threats, the company see opportunities.*

It would appear difficult to have meaningful international consultation against a background of tension over the allocation of work: British delegates seemed to be utilising their dominant position to protect their own interests. Once again, “social dumping” was potentially divisive but this was one of the issues it was anticipated the forums would help address. He considered there was no impact on collective bargaining except that the company’s drive for quality was emphasised in both collective bargaining and at the forum. He added that the forum had no influence on policy and procedure: the union was merely better informed in negotiations. The basis for working with trade unions in other countries was problematical but the information and contact appeared to be seen as of value. Once more a peripheral benefit was envisaged.

The impact on industrial relations was seen as limited as employees and shop stewards focused on “kitchen sink issues” However, “we have had some good tips for
negotiations”, and “we do see senior people and have access to top people” He added that:

"Baby food was a case in point. It was half in cans and half in jars. The company wanted to centralise it at XXX, Italy. However European mothers do not like cans. It therefore made sense to keep it in the UK where mothers like the cans."

The UK unions may have been using their dominant position to their own advantage in respect of some issues, which would have had a negative effect on delegations from other countries. He hoped in future some sort of world council would emerge, as it had at Danone, to prevent exploitation of developing countries and that minimum European standards would be created.

The dominant position of the UK delegates may result in the marginalisation of others. It is argued that the forum was seen as a valuable source of information but the level of interest and impact, among employees and managers, would seem to be low.

6.7.4 Views of representatives who are not council members

Three T&GWU representatives were separately interviewed. The role of the forum was wrongly seen by one as “to meet as often as possible and to discuss the challenges of Europe as a whole”, so the remit was seen as far wider than it was in reality. It was appreciated by all three that senior directors attended the forum to meet representatives and there was a reasonable grasp of when the forum was established.

There was also some appreciation that the union chair had been elected unopposed by T&GWU members at a branch meeting. They were less clear concerning the topics that were discussed. There was reference to “globalisation” and to “working
conditions” and they thought that the same topics would be discussed in the future. One incorrectly thought “pensions” would be included.

It would seem the interviewees were among the small minority of members that attended branch meetings and so had received some feedback from the forum, and they were at least aware of articles in the company magazine. They were unaware of any problems from the forum, but one thought “it’s a bit of a lark” The impact was seen as limited but the feedback from senior stewards was acknowledged. As one put it “I do feel the EWC has a certain amount of power, but to influence the shop floor is another matter” Another argued that the lack of impact “had all been about trust” One interviewee suggested that the forum’s role could be enhanced by allowing shop stewards to attend as observers, but another feared the issue of closures was “all that would remain in the future” It is suggested that the forum had limited impact but was regarded as being of some use. There was some misconception about its role and the frequency with which it met and the company was unlikely to be receptive to the expense of trade union observers.

6.7.5 Views of employees

Three shop floor members of the T&GWU were individually interviewed. They had a general concept of the forum. One saw it as:

To meet with other affiliates from other countries on a regular basis to discuss, not only internal issues but anything that could affect our industry and global scale.

Another saw “a body of people who attend meetings and discuss how factories run differently”; the third also had a grasp of the role. There was a good understanding of
who was involved with reference made to “senior management and senior representatives” One appreciated that the forum had been set up “three or four years ago”, the others did not know but all three appreciated that the union chair had been elected at a branch meeting. The issues that were envisaged included redundancies, globalisation and pensions, which were similar to those raised by representatives. One argued that the forum would result in “parity with Europe on the working week, holidays etc.” and the others had no suggestions to offer. It was the case that all three argued the forum would in future discuss plant closures. Reference was made to feedback through branch meetings and one commented on “newsletters from management”. They suggested the forum had “not much” or “very little” or “not a lot” of impact but it was seen as having some power as a source of information. One interviewee commented it should “meet more regularly”; another spoke of the need for “better PR”; and the other had no idea how the forum could be improved. There appeared to be a concern about plant closures in relation to the forum. The forum was regarded of limited value but a useful source of information. If anything, members were slightly better informed than the shop stewards.

6.7.6 Views of managers

I was repeatedly promised access to managers from March, 2004, but meetings were postponed for a variety of reasons. This is indicative of the perceived importance of the forum.
6.8 Precision Instruments, 2001

6.8.1 Introduction

This case study was of significance and importance because it illustrated control techniques in a scripted and stifled process. It was set against the antipathy of American management but, in contrast to initial resistance at Tasty Food, followed by a more positive approach, at Precision Instruments managers embraced a voluntary route to create a symbolic neutered forum. It was also the case that, in contrast to Tasty Food and Opaque Glass, a European management structure had been disbanded in favour of business-based operations, which were constantly purchased and sold, hence undermining any sense of corporate unity or cohesion. Similarly to Sunshine Textiles, the company was a conglomerate in different business markets so there was difficulty in creating a metaphorical common language. International inter-union relationships were problematic and there were difficult “social dumping” issues. The company’s arrangements for feedback were basic and restricted, which appeared indicative of its perceived worth. Unusually the company retained an expert who acted as a control agent and was resented by representatives. In contrast, site visits were linked to forum meetings: one might have considered they would be discouraged in such a diverse business lest claims for harmonisation were encouraged. The company’s motives are explored below.

The management interviewee was the human resource manager for two adjacent sites in the North West of England and also UK, country co-ordinator for the forum. The sites contained parts of a professional tools and a compressor business. He said the company wanted the flexibility of a voluntary agreement which was instigated in
September, 1996 and suggested “the company wanted to have an input, not just react” The company had been apprehensive about the loss of managerial prerogative and had wanted to preserve its freedom to manage its employee relations without the prescriptive formula of the Subsidiary Requirements. The union chair argued that the company had acted out of compulsion. He said that “the council was created at the instigation of the company; it was not an initiative on the part of the union”.

Management and union representatives commented that a revised agreement dated April, 2001, contained cosmetic changes and prepared for the expansion of the EU and subsequent arrival of new members. The negativity of management’s thinking did not bode well for future developments and this was apparent in an examination of objectives.

The management interviewee saw the overall objective as “being information and consultation, it’s about advice to employees about the performance of the business”, which did not sound like an interactive process. This view was confirmed by the union spokesperson who regretted the council was not concerned with consultation. He added that:

.. it’s run as if we’ve got to have one and go through the motions. Ideally it should be about consultation and negotiation. Some countries are behind the ball with social plans and redundancy rights. Some multi-nationals are not on the same hymn sheet as others that are more enlightened.

The management spokesperson described the terms of reference “as trans-national information and consultation” The areas of competence included those specified in the directive set out in section 2, paragraph 2.1. The union chair felt that it was in practice “just information and not consultation” that took place at the council (Appendices 7, 8). Precision Instrument’s agreement, uniquely among the case
studies, restricted itself to the terms of reference in the directive which was indicative of management’s approach of lip service.

The manager said "the agreement is subject to French law as the business had once had a European headquarters in France" It had been disbanded with business units being empowered to manage their own affairs. The union chair said "they are less likely to do anything at European level now" and therefore the company did not embrace the forum (Appendix 9).

The manager noted that the human resource, vice president for Europe had been involved in the forum’s inception with the trade union:

> It was a company initiative, we did not want to be forced; we jumped before we were pushed. The Amicus (AEEU), FTO was involved, as was an official of the German union IG Metall, who acted on behalf of the European Metalworkers' Federation. The IG Metall official dropped out after the negotiations. He added that ...although it was an Article 13 agreement, we still had a body called an SNB (Special Negotiating Body). A deal was reached with (Amicus (AEEU), FTO) in Jan. or Feb., 1996. He was the main official. The SNB met in Dublin in April, 1996. The union input was quite light. Management pushed it.

He said that originally "the company approached the trade union, they wanted a voluntary agreement" He added there had been "mutual commitment, a positive management attitude, the experts were used. The management wanted to meet the Article 13 deadline" In spite of being a voluntary agreement, an SNB was established which was again apparently indicative of the company’s inflexible, legalistic, bureaucratic approach (Appendices 10, 11).

The representatives from Britain were nominated by trade unions, except in one constituency where an election took place overseen by the Electoral Reform Society.
There was international inter-union conflict with German representatives who tried to dominate the SNB and such problems were to be a constant source of difficulty again undermining effectiveness.

Management and union interviewees separately in confidence told me, on 3 April, 2001, of an impending set of negotiations. The adjacent site, part of a compressor business, was due to close and the work transferred to the Czech Republic in late 2002 (Bolton Evening News, 27 September, 2002: 12). Clearly the closure and transfer had the potential to exacerbate the issue of “social dumping” Further closures were to take place between the years 2001-2004.

It is argued the company wanted to comply with legislation and had the forum as a symbol for consultation. In reality the company’s American owners resented the forum which did not fit comfortably with structure, culture and management style.

6.8.2 Representation

The agreement was signed in Brussels in 1996, before to the deadline for voluntary agreements, following an SNB meeting earlier that year in Dublin. The agreement was for a rolling period of four years (paragraph 13.1), unless notice was given to revise the agreement. A revised agreement was signed in Spain in April, 2001, which contained cosmetic changes. The forum had met four times in Brussels but, as the union interviewee said, “Everyone is bored to death with Brussels” The 2001 meeting was at Pamplona, Spain, to visit a company that was being acquired. The union chair hoped it meant the business had a change of heart about its approach to a forum which appeared to generate little interest (Appendix 12).
The manager said there was limited interest in being a council representative. He noted that when the council was first established there were five seats for Britain and added “the main union people emerged to take the seats” He commented that past practice had been for senior shop stewards to have the seats. The union chair confirmed there was little interest in being a member of the council as he had been nominated without opposition. The scope of representation will be next examined (Appendix 17).

The manager identified the EU countries in which the business operated. He said that:

...there is no Swiss representation, but a Czech representative has observer status. The revised agreement provides for reps. from the Czech Republic, Estonia, Hungary and Slovenia, to come in when those countries join the EU. He said when the original agreement had been signed, there were then five not two UK constituencies. There was one election for the SNB and another for the council. In practice the unions had nominated for four seats. Representation is as per local law and practice. Works councils often get involved in nominating reps. from other countries.

The Union Chair said:

I was unopposed as Amicus (AEEU) rep. for the SNB and the later election for the council. I was the convenor at the time. There were five constituencies when the forum was set up. There was only an election in one of them, where it was counted by the Electoral Reform Society. The one area was not so unionised. However, the result for the five was three shop stewards and two union members, so it was OK. There are now two constituencies, one around the locks business near Walsall and the other up here. They have sold bits off, so we have lost seats. The precise boundaries have to be determined for the next round.

He regretted that the constant restructuring of the business made it hard to form relationships. He confirmed the pattern of representation by country and said that it was attended by an Amicus (AEEU), FTO. He added that an official of the German union, IG Metall, acted on behalf of the EMF, who had helped to negotiate the agreement but did not attend meetings. He said management were keen to restrict the
forum to EU countries, which was in keeping with the focus on control. However the forum did at least have a select committee.

The agreement in section 5, paragraph 4.3 referred to three employee members of the employee council co-ordinating committee appointed by representatives. The representatives’ chair at the committee was also the union chair at the forum. That seemed to be an informal custom and practice that had emerged and that was the position held by the union interviewee. The manager said that:

The forum has a co-ordinating committee. It has three reps.; it used to be four. The company agreed to four, then when one left he was not replaced. It meets quarterly in various locations, for a day or maybe half. It discusses issues that could impact on the council, such as job losses and transfer of work. It’s as effective as it can be. There are restrictions on consultation unless the job losses exceed 50 across the EU.

The union spokesperson commented that:

I as union chair am on the co-ordinating committee. There is a rep. from IG Metall, the German union and someone from the French union. It deals with the agenda, it meets quarterly in different locations. In part it used to be a training exercise, with location visits and studying employment law in different countries. It’s now been cut back from two days to one. It used to be very good with time to build and get around the language barrier. Now there is only time for the formal meeting. There is no time to talk, we have to pop off.

The committee met the management council co-ordinator (Appendix 21). Given the decision to increase the forum meeting to three days, for 2002, and also to allow the co-ordinating committee simultaneously to meet for five days, the contrasting reduction in the duration of the quarterly meeting was an inconsistent and surprising development. The latitude extended to representatives appeared to be tightly controlled even if the time-off element was to be increased.
The union interviewee said that the chair of the forum was occupied by the vice president for human resources, Europe, who did not have a nominated deputy and the chair was not rotated. The president of human resources from the USA attended and he listed the other designations present; he noted that the employee relations legal counsel from the USA was very influential. He said there were altogether four country co-ordinators and two business unit managers (Appendix 24). He felt that management's expert, a consultant, had a disproportionate influence on events, which amounted to a veto - a strong managerial control technique. Precision Instruments was the only case study where management used an expert at each meeting and he was resented by representatives who considered that he had undue influence. The expert seemed to have been unable to prevent the perception of drift and malaise which afflicted that council, unless it was part of management's objective to neuter the forum.

The manager noted that:

The agenda has been agreed, the management do some presentations. The employee reps. should do presentations. That happened for the first time last year. Not enough is made of the need for reps. to debrief properly. Debriefing has been a site problem due to comments made about the future of manufacturing in the communiqué. It has caused anxiety.

The union chair's view was:

We travel overnight, so we are ready first thing the next day for a reps. pre-meeting. In the afternoon there is a site visit or a speaker on some European issue. The site visit will be new. There is a joint dinner with senior people. The next day the council takes place. There is five hours either side of lunch. It is mainly information but we have managed to cut down the amount of time for speakers. There is an answer session for pre-submitted questions. The reps. all have a 10 minute debrief which is hopeless. The co-ordinating committee spend two hours on the communiqué. For the renegotiation the co-ordinating committee stop for week.
It was hoped that a longer meeting in 2002 would improve the quality of interaction and help formulate a more meaningful role. The scripted question and answer sessions, the focus on information and lack of meaningful debriefing were restricting (Appendices 22, 23). However, it was always going to be challenging to develop cohesion in a conglomerate. Nevertheless, the frankness of senior management had embarrassed local management, which would appear to be a reflection of the lack of integration in the business. It is argued that little but anxiety was provided for employees, which had a negative effect on industrial relations.

6.8.3 Control

There were numerous examples of the company's focus on control. An extraordinary meeting had been requested over the transfer of work to Germany but the meeting had not happened. It had been refused and there had been a conference call involving members of the co-ordinating committee (Appendix 13). The union chair argued that the company was just going through the motions.

In another example of control the manager noted that arrangements for smoothing had been overlooked. The union spokesperson made similar comments and said there was "a danger that a group of people who did not know what had gone on before would be appointed" It could be argued that was what the company wanted (Appendix 14). He said that the employee co-ordinating committee officially ratified the agenda but in reality there were e-mails and telephone calls between the vice president for human resources, Europe, and the union chair. He recalled that, for instance, at one meeting (1999) management ethics and results had been discussed and the new vice president for human resources, Europe, had been introduced. There had been a presentation
about one business unit. He said questions had to be submitted in advance (Appendix 22) and there was no open session for questions. He argued there had been no real substance in the last meeting (2001). Even the managerial interviewee suggested that the stifled and scripted interaction was devoid of significance, so the impact would appear to be negligible.

The union interviewee said that:

*The co-ordinating committee meets quarterly and it draws up a list of issues. I e-mail around to find out what people want. Surprisingly there is not a lot of interest. People are waiting for more legislation. The company has filled in the time with speakers in the past. So (in 2000) we had only three speakers who were limited to 35 minutes each. One was on finance, one by the new company co-ordinator and the other by me. We are trying to stop it being information-management speakers who monopolise time. In 2001 the senior vice president came from the States to address us, as the chair was held up by the acquisition of XXX. He was pedantic, pontificated; I was not impressed. We covered financial performance, redundancies, restructuring, production and sales at business units. It was a great step forward about the control on speakers. 2001 was a staged play about acquisitions. It achieved nothing, a lot of people rang up and complained. The pre-submitted questions and answers are useless.*

There was some negativity from the management representative and a scathing analysis from the union representative as a consequence of managerial control techniques. It is argued that almost nothing of substance was emerging from a forum provided with little training.

The manager noted that when the forum started there had been a half day of business-related training with the management's expert in Brussels (Appendix 25). There had been limited training related to the council, though representatives could join trade union courses. The union chair said the half day of training provided by the company had been supplemented by a two day course run by Amicus (AEEU). The
agreement empowered the co-ordinating committee to liaise over representative training (section 5, paragraph 5.1). The agreements at Tasty Food and Precision Instruments made reference to training and in both instances management had done little. There was clearly some frustration with the company over the issue which would, once again, appear to be used as a control technique. In addition to training the standard of translation was problematic.

At each case study forum some translators were provided for formal settings. They were considered satisfactory except at Precision Instruments. The union chair commented on the poor quality of translation at formal sessions, again: management would seem determined to stifle interaction, which extended to a lack of feedback to employees.

The manager said a communiqué was placed on notice boards but not a set of minutes (Appendix 27). It is suggested that management attached little importance to the forum and made a token effort to communicate with employees, though in so doing it had caused a problem for site managers about the future of manufacturing. The union chair and vice president for Europe were trying to get access to the intranet: it was difficult as it was controlled from the USA. The union interviewee found his constituents disinterested, as to them Europe was “just a holiday destination” He argued that employees should be interested as the EU could be a vehicle to enhance their conditions. He was disappointed in the response of employees and the negativity of management which had not given the forum legitimacy. The processes at Precision Instruments were tightly controlled by management aided by their expert. The allocation by management of additional time would appear to provide more resources
in which to achieve little. It is argued that time in itself was not enough. The quality of processes would need to move to a different plane for progress to be made and the tangible contribution to industrial relations appeared negligible.

6.8.4 Impact on industrial relations

The manager said the forum provided another opportunity for involvement. It enabled best practice to be shared and people could see the European picture:

*There is an opportunity to question senior management, if the representatives are brave enough to say what is on their mind. It gives access to management, three levels above the one to which they would normally relate. It could potentially be helpful with benchmarking. It enhances the corporate culture at EU level. I feel that industrial relations should be developed at a European level rather than business driven. There is an opportunity, but the company has moved away from it. We could talk about how to develop area business units. We could add value if the agenda was changed and we share best practice. There could be the idea of dual citizenship, being part of a business unit but also being part of (Precision Instruments). However it’s always going to be difficult in such a diverse business.*

He considered the directors had wasted an opportunity to utilise effectively the forum. He put forward the innovative idea of employees having dual citizenship, one for the business unit and the other for the parent company. However, such developments are problematic in a conglomerate where constituent parts were frequently bought or sold and where plants were closed in the UK and work transferred to countries with lower labour costs. The management interviewee acknowledged the irrelevance of the forum and tried to identify a remedy but it would appear unlikely he would be supported by the directors.

The manager regretted that the forum was perceived by the directors as an expensive annual ritual to be entered into because of legislation. However, the aspirations of
representatives in terms of what they could achieve were unrealistic. He argued that the forum should focus on certain business sectors or a category of business units. He added that the American parent company feared that the representatives would try to use the forum as a platform for negotiation. He considered that plant managers felt they were left out when representatives gained access to information from directors. However, it was not evident that the directors recognised such shortcomings.

The union chair said the only strength that representatives had was the power that unity could give to them but he considered the opportunities limited. He argued the forum might play a useful role in any plant closures. He commented that representatives used the forum to lobby for minimum rights so they “try all the time to push for negotiation, but no go” Management was not receptive to a platform for minimum standards and would strongly resist any form of negotiation. Once again the impact for employees and industrial relations would seem negligible.

The union interviewee said that language was a barrier when trying to network informally outside the forum. He said representatives called senior management “the seagulls”, as they swooped over from the States and then left. He listed the problems as “poor quality information”; “poor and cheap translators”; “lack of training” and “bogged down with domestic items” He said there had been international inter-union problems about membership of the SNB and representation at newly purchased businesses. He noted he was...
The "prisoner's dilemma" was a difficult one with which to deal, as failure to respect confidentiality could be gross misconduct. However, not sharing the knowledge opened the representative to accusations from members of duplicity. Once again, management seemed to have achieved complete control and prevented any coordinated response to "social dumping". The negative hand of the American parent company and that of the employer's expert appeared to frustrate trade union attempts to develop the forum. The quality and timeliness of information could be addressed by the employer but perhaps it was just a control technique.

In conclusion, it is argued the American parent company see the forum in a symbolic role. The union chair was most disenchanted with the whole process. He felt that under-investment, poor information, lack of employee co-ordination and an absence of meaningful interaction rendered the forum unrewarding. The company kept the forum under tight control with even the management interviewee having a low opinion of the contribution of the forum.

6.9 Precision Instruments, 2004

6.9.1 Change

Radical change had taken place at the plant in the intervening three years. As discussed in the previous chapter there was a phased site closure with the relocation of work abroad. The union chair had left Precision Instruments in August, 2003, and had remained in office at the forum until February, 2004. He had initially acted as a
consultant for employees and attended two co-ordinating committee meetings but due to pressure of work had to decline an invitation to continue as chair. It eventually proved possible to trace the union chair who from November, 2003, was working for a local authority direct labour organisation in a managerial capacity.

The former union chair said the renegotiation of the agreement had been confirmed in Pamplona, Spain, shortly after the last interview. As scheduled the steering committee had stayed for a week which turned out to be a "one-off add-on to the usual meeting". He said:

Nothing changed, it stagnated, it was just two days out, nothing came of it. The Americans were frightened to death of trade unions, especially when it involved people from outside the company like FTOs. They went through the motions and the legal duties. The forum did nothing to save our jobs, the company is relocating outside the EU to avoid health, safety and environmental legislation and Brussels interference.

He commented that two new UK constituencies had been formed in the light of closures, one based on EEE Group, Darlington, which had since been sold, and a safety equipment and security division in Birmingham and Walsall. He considered that the sterile interaction had continued and that the company went through the motions whilst relocating operations to outside the EU, which the forum had been powerless to prevent.

6.9.2 Consultation and feedback concerning forum meetings

The interviewee said there was no effort to engage employees in consideration of agenda items for the forum, nor was there any attempt to consult other union representatives. He had not been aware of a policy by management to consult their colleagues. However, he commented that the delegates passed on information when
they returned and that management had made limited efforts to disseminate information:

*I sent briefing packs to each site, I did a sheet about everyone who spoke. I put in the Chair's report, slides and anything else. Whether anyone read it is another matter. I did a 30 minute talk at the forum, you needed to involve people, the forum could have been better informed. I suggested company projects to get people involved. The company were not receptive.*

He added that in the end the only feedback to employees was through union briefing sheets. He had tried to inject life into the forum without success. He presumed that management briefed colleagues through a communiqué largely written by them before they left for the USA.

He assessed the level of interest as follows:

*With employees zero, Europe is a holiday destination, there is too much animosity, especially in the north of England. The managers were not interested as long as it did not affect the budget, they resented me mixing with top directors and people four levels above my plant manager. The CEO (chief executive officer) is like God. I knew more than the human resources manager. The trade union reps. had zero interest, it was a trip out.*

It is argued that negativity prevailed, which would seem to preclude any benefit for employees or impact on industrial relations.

He painted a picture of limited interest in becoming a representative:

*The reps. are dismayed if they are elected, they fear having to make speeches. They do not want more European legislation and do not want to talk to French and German reps.. Even when you interviewed me last in 2001 I was no longer a rep.. I had been a convenor, I carried on as chair even though I was a manager. The others were not interested. The Germans wanted the chair when it first started, I saw them off. I enjoyed it. I was interested. Now a non-English speaking Frenchman is the chair. He will struggle, which is what the firm want. I did OK with English in an American company.*
It would appear there was a lack of interest in involvement with the forum by representatives: the former union chair had been an isolated enthusiast surrounded by total indifference.

6.9.3 Impact on consultation and collective bargaining

The interviewee said the forum had no impact on joint consultation, collective bargaining or policy and procedures. He added:

In the UK we want to do things our way, the value of what others did was ignored. No use was made of communication with others, whereas other countries like to widen their experience and get the best deal. The USA was anti the whole thing. We were isolated, the forum was linked to nothing. The FTOs did nothing once the forum was set up. The FTOs want training they can make money from and lunches. They talk smooth but take no action, they talk change but lack imagination. Managers do not want to do anything either, they only want to train to gain control. There was too much politics, the business was in too many markets, the firm did not want cross-fertilisation of ideas.

Again a bleak picture was painted of disinterest in ideas from abroad with ineffective support from FTOs compounding managerial negativity.

However he noted that informal contacts were sometimes useful:

The networking with the CEO was valuable, I was able to unofficially influence a closure. We got 12 months notice of a plant closure which was unheard of. We got extra redundancy - we were bought off when we really should have fought it. But it was not directly to do with the forum.

A better deal was negotiated for a plant closure through informal contacts, facilitated indirectly by the forum, which did provide a benefit for employees. He argued that industrial relations were tightly managed and controlled but that networking was of some benefit. He considered the forum had no impact on industrial relations in Britain as the firm was anti trade union and had just complied with legislation. He anticipated, in future, that to lower costs work would be relocated to Turkey or China.
6.10 Insulation, 2001

6.10.1 Introduction

This forum contrasted with other case studies in that it initially represented a conglomerate, such as Sunshine Textiles or Precision Instruments and then it was restructured to cover one product - mineral wool - like Opaque Glass or Tasty Food, which resulted in a transformation in its effectiveness. The forum negotiated an innovative framework agreement which was cascaded through the business. It is suggested that access to information through networking and the sharing of best practice was valuable. The small number of delegates worked through processes that were largely informal but effective in spite of a lack of input from FTOs. In contrast to some positive work, a deadline for renegotiation was disregarded and the forum was not used to discuss an international restructuring, which suggested a major negation of its function. In addition, unions failed a representation test as they appeared incapable of addressing areas of non-unionisation. It was apparent that issues about feedback and training existed and attempts were made to ensure they were addressed. The forum dealt carefully with dominance by Britain through the distribution of offices, and UK inter-union tensions were managed through a rota for the allocation of seats. In 2001 a legitimate industrial relations institution was emerging but by 2004 management had unilaterally allowed forum meetings to lapse.

The human resource leader at Insulation said a voluntary agreement was reached on 16 September, 1996, as management wanted to preserve its managerial prerogative. Whilst the company responded to a request from representatives of Amicus (AEEU),
it had been receptive to the concept. The union interviewee, an Amicus (AEEU) lay
official, suggested that if the company had not followed a voluntary route it would
eventually have been compelled to establish a forum.

A revised agreement was effective from 1 October, 2000, and was dated November,
2000. A new agreement was required as the company had become a joint venture
between its former American owners and a Swiss company. The original agreement,
in 1996, had covered parts of three divisions located in Europe, each of which
produced different products. The new agreement covered only a mineral wool
business and it created a common business language which management and union
representatives regarded as positive.

The manager saw the objective of the forum as “ensuring two way communication”
by getting an “employee perspective” In contrast, the representative saw the objective
of the forum as bringing “together the reps. of different countries and locations, to
analyse issues, various problems and new ideas. We discuss things with each other
and management” The scene was set in paragraph 1.1, with reference to “the
exchange of information and consultation between management and employees at a
European level” Managerial control was evident in paragraph 1.2 which stated that
the forum “will be limited to an exchange of information and views...affect at least
two locations which are located in more than one country” However, in reality the
scope of activity had been broader than the agreement would suggest (Appendix 7).

In respect of terms of reference the union interviewee “noted that there is information,
involvement and consultation. There is no negotiation but we hope to get it”
He commented that a framework agreement had been reached at the forum in November, 2000, with reference to training. The union appeared to be positive, in spite of a managerial disregard for the forum and its functions, because of the constructive engagement with those items that were discussed.

6.10.2 Representation

The view of management in respect of negotiation for a forum was

... the senior management group contacted FTOs who had had lots of experience. The senior management group wanted a voluntary agreement. Two HR directors pushed the original agreement in '96, the one for Building Materials and the one for Composites. We had not wished to be forced, the company wanted a voluntary agreement to suit the business. The Amicus (AEEU) rep. was in contact with key FTOs who were specialists in the field. It was driven by the UK as we were the largest employer. The original agreement did not take long, there was a positive commitment and concern about meeting the deadline for Article 13 agreements. There were short intervals between negotiations. The old agreement was quickly revised (effective 1 October, 2000) and the modifications agreed.

The company wanted a voluntary agreement and used the experience of FTOs to explore and progress the matter. The union spokesperson said that:

The trade unions initiated the subject so the company was pushing at an open door. FTOs had been involved in the original agreement, Amicus (AEEU) and GMB. They had only attended the initial meeting. The original agreement had taken less than six months to negotiate. There had been the pressure of the Article 13 deadline. No FTOs had been involved in the renegotiation, which had only taken two days. There was a positive environment with no hidden agendas. European trade union federations had not been involved at either set of negotiations.

The company was fearful of compulsion and wanted to conclude before the deadline for Article 13 agreements. Swift progress was made with the initial agreement which required a limited input from FTOs who were not required for the renegotiation process. The revised agreement was concluded in two days and related to a single
product area (Appendix 10). It would appear that representational arrangements were governed by a rota.

At Insulation there were five sites and a total of four recognised unions seeking three seats. The representative said that “a rota was devised for sites, seats and unions. Everyone will be represented over a six to nine year period. Even non-unionised XXX” He added that “there was competition for the seats, hence the rota” (Appendix 17). However, the tensions would appear to be inter-union rather than a reflection of competition for a role perceived to be of benefit. The union interviewee said existing unionised delegates represented non-unionised staff in Britain; one of the Italian representatives was not a union member but his plant was unionised. Once again the agreement refers to representatives to be appointed or elected to the forum. The existence of non-unionised representatives provided a representational challenge for trade unions as they could undermine the legitimacy of their representational role in the eyes of management.

The manager identified those countries included in the forum. The union spokesperson noted that UK representatives had been elected by union members in the first place so they did not need to be re-elected. The forum at unionised Insulation has thrived with nominal support from the trade union movement in a supportive environment and functioned effectively in a restricted remit. The forum needed a chair.

The manager noted that the forum was the chief executive officer’s meeting. He was supported by the directors for human resources, finance and commerce. Present were two of the six business leaders, from Spain and the UK. The manager supported the
forum in an administrative role and added they were careful to have six managers and
six representatives so as to permit dialogue. The union representative suggested it was
possible that as things progressed the role of chair for the forum might be rotated
(Appendix 24). Similarly the unions needed a spokesperson.

The union interviewee said that:

......the union chair was given to Belgium, it was to head off any allegations of
UK dominance. We've been to Belgium a few times, maybe we will go to Italy
next. Then maybe they will chair it.

It would appear that the issue of UK dominance had been managed by a tactful
distribution of offices. The post of representatives' chair was informal, as it was not
mentioned in the constitution. However, there was reference in section 4, paragraph
4.3 to an advisory committee with which the union chair had become involved. It is
suggested that the absence of FTOs or trade union experts, on an ongoing basis, did
not automatically preclude progress if there was a developing and interactive process
(Appendix 18).

6.10.3 Control

The manager said the agreement was under Belgian law, as that had been where the
original and revised agreements were signed (Appendix 9). She knew of no
advantage, nor any intention, to "repatriate" the agreement to English and Welsh
jurisdiction. The representative also stated that there was no prospect of
"repatriation" of the agreement. The revised agreement stated in section 11: "Any
specific interpretation under this agreement will be done so using the appropriate
Belgian legislation" The agreement should have been reviewed in 1999, (paragraph
9) but the unions failed to challenge that breach and also the absence of an extraordinary meeting following a restructuring. The management interviewee said:

...an extra meeting was not arranged when there was a major restructuring, with the establishment of the joint venture company. However, no one seems to have minded. It was dealt with at plant level.

As a consequence of a major restructuring the agreement was revised in 2000 and signed in Vis’è, Belgium. The union representative said that:

The new agreement is more focused on the mineral wool business. Originally it also included Composites, Pipes and others. One divisional head is involved not three. At the time the total numbers were just under 1,000, so the EWC could have been closed. With the expansion into eastern Europe the numbers will grow and the company did not want the disruption and start up costs. I was pleased with the company’s attitude.

Management had an opportunity to close the forum but chose not to so do because at that stage it was apparently regarded as useful. The forum met twice in 1996 when it was being established and those two meetings were considered to constitute the first. There have been four meetings in Brussels and a fifth was in Vis’è, Belgium in November, 2000. In order to co-ordinate activities the forum required a sub-committee.

Insulation had a select committee which was called the administrative advisory committee (para. 4.3), (Appendix 21). However, the Amicus (AEEU) representative surprisingly referred to it as the SNB and that incorrect term seemed to be in general use. He said that the:

SNB consists of a Belgian rep., an Italian rep. and me for the UK. There is the management co-ordinator and another manager. The representatives liaise informally but we never actually meet, except at the forum. We meet for about an hour at the forum. It’s very effective, it collates different views to get a general thread. We are involved in the agenda but we don’t all meet up. If any expert was required we would be consulted over that. We have the facility to meet at other times but it’s never been needed.
The failure to convene meetings was reminiscent of the control techniques used at Opaque Glass but in contrast some goodwill with informal mechanisms appeared to compensate.

The manager noted that the agenda was informally determined by the members of the administrative advisory committee and the human resources director (Appendix 22). The representative commented that through informal processes questions to be asked were agreed and an agenda formulated; it was sent to the human resource leader for clearance with the director who added his own items. At the last meeting (November, 2000), items included the company’s performance, problems with finance, the setting up of the joint venture, expansion into Eastern Europe, over-capacity in the industry and reports from business areas. Discussions also covered environmental emissions as more stringent regulations required investment. He said the need to improve employee output was reviewed and there was a relaxed approach to questions. Significantly he said a framework agreement had been negotiated concerning training. The representative said that:

*A minuted understanding was negotiated concerning skills steps and subsequent flexibility to improve output. That was a big step forward.*

The forum was beginning to discuss significant issues and was progressing from information and consultation, as it had negotiated a “minuted understanding” regarding training for adoption by plants. The format in which the forum took place was worthy of examination.

The manager commented on the format:

*On the first day the reps. travel out, meet up, have dinner with the senior management. On day two there are discussions, with the translators present. The business is communicated. There is much discussion about the*
The forum meeting was apparently conducted in an open manner that allowed good
dialogue about international issues: negotiation about less controversial issues had
also taken place (Appendix 23). However, it was unusual that the administrative
advisory committee was restricted to meeting at the forum. For instance, the issue of
training for members could have been addressed by the committee.

The manager said the forum agreement contained nothing about training but she
thought it needed to be reviewed (Appendix 25). The Amicus (AEEU) representative
commented that unions had provided training, subject to the agreement of the
company. He considered that entitlement to information in the directive meant there
was also an entitlement to training. Trade union courses had dealt with business
simulation: he had not been trained to analyse balance sheets but suggested it was a
question of how the information was conveyed. The company was evidently looking
to address the failure to provide training.

Confidentiality was also raised. The manager noted that delegates were respected
individuals of the highest integrity. She added that things had to be labelled
"confidential", as delegates "could not be expected to exercise a value judgement"

The representative made reference to the agreement and added that confidential items were clearly so labelled. A breach of confidence was gross misconduct and adhering to such rules was a condition of appointment or election (Appendix 26). However feedback to employees was problematic.

The manager said feedback from the forum was ineffective both from managerial and union viewpoints. However, attempts had been made to address it - feedback in December, 2000, had improved as a presentation by the Chief Executive Officer was cascaded. The communique had been jointly fed back, by management and unions, at the plants. The union spokesperson added that representatives fed back using a variety of means: meetings, newsletters, notice boards and the intranet. It was acknowledged that communications had been problematic but steps had been taken to address the matter (Appendix 27). It would seem there was a possibility of something tangible emerging for employees and industrial relations.

6.10.4 Impact on industrial relations

The human resource manager commented on the influence of the forum,

Key employees can be influenced by senior management and management listens to them. It enables senior management to get a view that has not been filtered by plant management. It helps to facilitate change, there are discussions of strategic issues. It builds and develops existing relations. It adds value through employee involvement, there is not a lot of lost time, we have tried to cut through the bureaucracy.... It can develop into a useful institution that will get better as it matures.

Senior management welcomed the opportunity to influence key representatives as the establishment of relationships and involvement helped facilitate change.
It was evident that networking between representatives over terms and conditions had previously been unhelpful to management, as the forum had cut across three business sectors. It is suggested that with plant-based collective bargaining it could hardly have been welcomed in the new structure. The manager regretted that networking between representatives could result in the non unionised YYY site being unionised. However, I could find no indication of trade unions meeting such representational challenges. She commented that a fear of pressure for harmonisation and collective bargaining at national level in Britain was always an issue but not because of the forum.

The union representative said access to information through networking and the sharing of best practice was valuable. He suggested the profile of the unions had been raised and that it might help at the non unionised site YYY. Through networking interesting differences had come to light: for instance the main site used old equipment but new equipment in Belgium was labour intensive. He said that "we can cherry pick ideas" and thought it was a stepping-stone to develop a partnership with management. He commented that some members failed to see the value of the forum due to its remoteness and said the threat of British dominance of the forum had been overcome. The representative considered the forum was functioning well and that participatory relations were emerging with management.

In conclusion, the perceptions of management and union delegates were positive about the networking and a move towards partnership. However, there were limitations as management was not willing to treat the forum as one for negotiation
beyond framework agreements for non-adversarial issues and would not encounter requests for harmonisation. It is argued there was a mutual desire to achieve cohesion, interaction and give the forum legitimacy, which would impact positively on industrial relations and working lives.

6.11 Insulation, 2004

6.11.1 Change

With effect from 1 January, 2003, Kay Industries took over Insulation. After the change of ownership the forum did not meet even though the firm was in the scope of the directive. The human resource leader had policy differences with the new owners and left in December, 2003, but declined to be re-interviewed. The Amicus (AEEU) representative had also left in July, 2002 to become a FTO for Amicus. The former lay representative agreed to meet at his offices in Merseyside to discuss the changes that had taken place. The forum had met for the last time in September, 2002.

The former Amicus (AEEU) representative said there had been no stability in the business when creating a joint venture and then selling the business. The priority had been to protect jobs - they had been unable to save the final salary pension scheme, so in that context the forum became a low priority to the unions:

The new owners hope that the forum will go away so that they can ignore it, they will probably be right. The trade unions have other priorities at present rather than trying to resurrect the forum. At the 2002 meeting the unions offered to cut the UK delegation from three to two, a rotation scheme would have been developed. The company did not respond. The Italian, Spanish and UK reps. had all wanted to carry on but the company said nothing.
In spite of attempts by unions to save the forum there had been no response from the business. It is argued that a forum that had shown signs of developing cohesion and legitimacy, with a role in industrial relations, had simply been allowed to lapse by managerial inactivity.

6.11.2 Consultation and feedback concerning forum meetings

The former representative said that delegates established through routine meetings what employees and other stewards had wanted for the forum agenda. He added that ideas were then e-mailed to the administrative advisory committee members who had met only at the forum. He commented on those issues that emerged irrespective of nationality: investment, health and safety and environmental concerns. He suggested that:

The management were very professional and did joint presentations with managers from different countries in English. They must have rehearsed and role played to do that. We briefed some plant managers off the record. The management seemed well organised.

He said that there was a joint management/union feedback after the meeting:

A joint statement/newsletter was issued which provided a form on which to submit ideas and a contact telephone number for those who wished to comment on the statement. The feedback was organised by the administrative advisory committee which never really worked as all contact, except at the forum, was by e-mail. Some of the comments sent back by employees were along the lines of “it’s just a jolly”. There were joint management/union presentations at each plant. I did a presentation with the works manager.

There would appear to have been a serious attempt to engage with the workforce on a joint basis.

The interviewee noted that some employees were very cynical but most were interested in what went on in Europe:
Some managers resented not being on it, they were cynical but they did appreciate an unofficial briefing. The reps. supported the forum and were disappointed at not being involved. However, they became less keen when they knew of the travel in relation to the time period. The information was appreciated as we had more than some managers. There was a lot of interest, all reps. saw it as important. However, there were only so many places.

In contrast to other forums it is suggested that prior to its closure the forum generated interest and was regarded as making a contribution to industrial relations.

6.11.3 Impact on consultation and collective bargaining

The former representative argued the forum had a positive impact on consultation and collective bargaining:

*It had a positive impact, when researching negotiation we knew what was going on across Europe. It was useful being in Europe. If we were planning industrial action we knew which plants were being asked to step up production. They were involved in the same process. There would have been a long way to go before there would have been any European wide collective bargaining. We wanted to extend EU style protection to workers in the UK. We want to force employers to share with us when times are good. However, only one framework agreement was ever achieved. The UK government was not interested in EU developments so that we could go no further.*

It is considered that the contribution made by the forum to industrial relations was valued and that in the long term it may have contributed to some sort of European-wide co-ordination. However the achievement of one framework agreement, noted in 2001, had not been built on. It could be argued that the forum’s apparent value to representatives could have contributed to its closure along with a change of ownership and economic difficulties.

The interviewee noted the positive nature of the forum:

*We had mutual respect. We had broken European and seniority barriers, there were common issues, we helped each other with goals. The problem is multi-national companies can control governments and they do not want their*
power-base weakened. All the progress at work has come from the EU over working time, work life issues etc.

The forum was considered to have had a high standard of integration and to have been of value to the company’s industrial relations. Three factors appear to have contributed to its demise: first, management may have seen it as a potential threat; second, the new owners did not consider it to be of value; and third, given the firm’s financial problems, it had become to all concerned a low priority.

6.12 Bright Lights, 2001

6.12.1 Introduction

As with Opaque Glass, Tasty Food and restructured Insulation there was one product - entertainment. The forum was, like Tasty Food, an Article 6 statutory agreement. However, in contrast to those examples, Bright Lights was non-unionised in Britain in a service sector with high labour turnover and with a management that appeared to see the forum as an unwarranted imposition. Management deployed a range of control techniques to stifle the forum: the withdrawal of experts, control of the agenda, lack of an effective select committee and misinformation over training. The British delegates, with no experience of a representational role were left to fend for themselves without external support. The highlight appeared to be an annual dinner and it was difficult to see how such a forum would survive with even a symbolic role.

The management interviewee, the director of corporate human resources, had reluctantly complied with a request for a forum, which was instigated by German works council representatives. He said the firm had not intended to so do, as it had
seen little value in the forum. The request had come from an area in Germany with
some limited trade union membership, so the company decided that negotiating an
agreement under the terms of Article 6 of the directive was preferable to the
imposition of the Subsidiary Requirements. An agreement was reached on 13 May,
1999. The representative interviewee, the employee chair, was operations manager,
UK and Ireland, who agreed that the company wanted to circumvent the Subsidiary
Requirements. He argued that the company wished on the one hand to do the
minimum but on the other wanted to appear to be employee friendly. The principles
and objectives needed to be examined.

The director saw the forum as “an opportunity to inform and consult - not to
negotiate” The agreement in paragraph 1.1 referred to “information and
consultation”, in addition, paragraph 3.2, referred to “timely information and
engagement in dialogue on trans-national issues” (Appendix 7). The management
interviewee saw the terms of reference as information and he “felt that nothing had
been discussed of real substance” He added that the requirements of the directive had
been met and that a minimalist approach had been adopted. Inevitably suchnegativity
would influence the processes. In contrast the representative said:

...the forum was about information and consultation. The only negotiation had
been at the SNB. The forum had reminded the company
to look at the implications of the euro. An issue had been raised over the
security and safety of money handlers and the company has said that a
working party will be set up and that it was in hand.

The agreement covered those issues referred to in the directive, in section 3 of the
agreement, paragraph 3.2. In addition European health and safety was included
(Appendix 8). It is argued that the explicit hostility of management to the process, and
negativity towards inexperienced and unsupported delegates, produced for all concerned a predictably unrewarding experience.

6.12.2 Representation

Bright Lights signed an Article 6 agreement in Brussels in 1999 and by 2001 the forum had met three times in Belgium. The employee chair commented that the Elewijt International Centre, Brussels, catered for the needs of forums. The Director said that the agreement was subject to Dutch law and that the business had no intention of “repatriating” the agreement to English and Welsh jurisdiction. He added that, the limited company had a Dutch grandparent. The employee chair argued that as the agreement was signed in Belgium, it should have been subject to Belgian, not Dutch law. In contradiction to the director, he suggested that the agreement may be “repatriated”, though cited no evidence. The agreement stated in paragraph 8.1 that it was subject to the laws of the Netherlands; in paragraph 8.3 it said that Dutch law would prevail for the first five years unless “legislative provisions in the UK provide an opportunity to change” It would appear that management were not minded to activate the “repatriation” of the jurisdiction of the agreement to English and Welsh law (Appendices 9, 11).

The management interviewee at non-unionised Bright Lights said:

...that trade union, or works council nominees, were accepted for Austria, Italy, Germany and Spain. In the UK representatives are elected to constituencies in a formal ballot conducted by the Electoral Reform Society, at a cost of £1,000. The members are also members of the UK and Ireland staff forum, which was set up before the forum.

The employee spokesperson commented that
the UK had three seats on the forum. Eight people stood; we each did a half page of A4 as a synopsis. I was also on the UK staff forum representing unit managers but I had to leave when I got a head office job. Things changed and I could have gone back, but I did not want to. I have stayed on the European forum. The other two UK European forum reps. are also UK staff forum reps..

The management interviewee said “we have never had any interest from a trade union (in the UK). I doubt if they could hold one together, with the levels of turnover” (Appendices 14, 16, 17). British representatives were also members of a UK domestic forum that had ceased to meet at the time of the research, which was again an illustration of the company’s attitude to representational structures.

The director confirmed the names of those countries represented and the pattern for delegations. He said when the agreement had been drafted the threshold for representation was set at 50, so as to include Italy. The threshold in paragraph 4.2 was in fact 25 and that lack of knowledge appeared to be indicative of the level of interest.

The format of meetings was also discussed. The director commented that in the absence of any training the forum started with a pre-meeting for representatives in the late afternoon. There was then a joint dinner with senior management, followed by a joint meeting the next day. The meeting was interrupted by lunch and then in the late afternoon there was a debriefing for representatives. He added that representatives were able to ask questions but not many had been asked. The employee chair confirmed the programme. He said representatives arrived for lunch and had a pre-meeting. There was a dinner with senior management which was very much the highlight. Next there was a meeting in the morning and after lunch there was a debriefing for an hour to agree outline minutes, prepared by joint secretaries. The management secretary took formal minutes which the representatives’ secretary
confirmed. The debriefing appeared to be focused solely on approving the minutes rather than any analysis of performance, objectives, strategy and so on. (Appendix 23). The lack of meaningful interaction and focus on a dinner did not bode well for the future.

The director noted that he took the chair; management representatives were general counsel and senior vice president business affairs, corporate human resources manager and senior vice presidents for both Northern and Southern Europe. He said they were all top people, the first named being the most senior person outside the USA parent company (Appendix 24). The representation was appropriate and conventional.

The director explained that requirements concerning confidentiality were a condition of appointment: items were so labelled and a breach would be treated as gross misconduct. The employee spokesperson commented that the agreement provided, in paragraph 6.3, a way round the so-called “prisoner’s dilemma” that had been so problematic at Precision Instruments. The paragraph allowed representatives to withdraw in anticipation of such situations. The clause had not been used and one could argue that representatives should not be involved if they cannot handle confidential information (Appendix 26).

A dismal picture emerged of conventional representational arrangements, which were ineffective due a combination of managerial control and representational inexperience.
The director commented in respect of control of negotiations that:

... I was in charge of the implementation and setting up the forum. There are 20 (units) in Germany, 15 do not have works councils because no one has requested one. In one of the five with a works council, someone requested a forum. We are over the numbers, so the company had to do it. Some German employees are unionised. Works council reps. may be in a union. We do not recognise unions in the UK and have never been asked to do so. The German reps. and I pushed it forward. The SNB was set up using a formula of a rep. for so many thousand employees with each country being represented. The UK reps. could have been excluded as we were still within the time period for UK voluntary agreements (15 December, 1997-15 December, 1999). It was agreed at the SNB that UK reps. would not be allowed to vote on the agreement. A consultant was employed to help management and one for the reps. Preparatory work was done by the company’s vice presidents with the consultant. We started about April/May’ 97 and finished in Spring ‘98. We would not have done it unless we had had to. There was an ambivalent attitude. We did not want a EWC based on the German works councils, nor the subsidiary requirements, they are too prescriptive. We wanted the non-unionised UK involved, to even out the unionised Germans.

The company was reluctant to grant a forum but agreed to what management thought the least worst outcome. One wonders why management responded to the German request given that Article 5 (1) of the EWCD (1994) makes reference to management having to respond to “a written request of at least 100 employees or their own representatives in at least two undertakings or establishments in at least two different member states” When establishing the SNB management had only a request from one country but, as they were exceptionally well briefed, it can only be presumed that they anticipated a claim from another country (Appendix 10).

The employee interviewee said that:

...it had been an initiative by the dir of corp HR....
I do not know whether the German reps. pushed for it. The reps. are very fragmented. In many units communication with reps. is poor. There is
also a high labour turnover. The first I knew about it all was when a call for a ballot (for SNB members) came forward. That was the first time I knew we even had the option to have a EWC. We would have gone on in ignorant bliss. The SNB became the forum. 19 of the 23 German units were non-unionised, four were unionised and they claim to represent all 23 units. The election of reps. was solely for the SNB, we met in the Elewijt International Centre, in Brussels. There were three constituencies in the UK. Management had an expert. We had one who could not make later meetings so we had someone else who was good and focused on what was important. We met at the end of 1997, then March, 1998, when we did a deal that was signed in May, 1999. Both parties were committed but the company had wanted to get around the statutory instrument (Subsidiary Requirements).

But representatives have a problem - what can we use the forum for? We are at a loss to know where to go. We have no cross-border issues. Maybe we could talk about the sale of the German operation? Perhaps we could talk about EU directives, but maybe the company will say it is adopted locally and must be discussed locally.

It was evident that representation was fragmented. For instance the UK representative had been unaware of the catalyst created by German works councils until I informed him. There had been no awareness among British employees of an entitlement to a forum and they seemed at a loss to know to what use it could be put. It would appear that such a situation gave complete control to management. The SNB procedure seemed to have been followed with representatives being elected in constituencies, even in the non-unionised UK, but then ironically they were deprived of a vote. The attitude to British representatives by the director may have been correct legally but in industrial relations terms it was not conducive to developing an open forum for consultation. The employee chair questioned the legitimacy of representational arrangements in Germany and, given the company's antipathy to trade unions it was surprising it did not arrange for separate representation for non-unionised units. Once the expert nominated to employees by the employer was withdrawn, after the agreement was signed, the employee representatives were isolated. Further negativity was evident towards the forum.
The director said he had asked the representatives to surrender the right to call extraordinary meetings in exchange for a four, rather than a two, person steering group. The director commented in respect of the select committee that:

*I wanted a select committee of four to drive things forward instead of a facility for extraordinary meetings. The reps. would not agree to the idea; they said we would not be complying with the directive. I did not have the support and we ended up with just me and the employee chair.*

The representatives rejected the unlawful offer and pointed out that, had they agreed, they would not have been in compliance with the directive. The director noted that he had reluctantly agreed to an employee chair. He had envisaged that “people would sit around and discuss things, without the need to do so through spokespersons” The employee chair said that his was an informal designation, “the agreement just refers to employees’ secretary” The agreement made reference in section 4, paragraph 4.6 to the employee secretary meeting management to co-ordinate events (Appendix 21).

The director had wished to eliminate extraordinary meetings and prevent the delegates from co-ordinating through a spokesperson (Appendices 13, 18). It is suggested that there was a strong desire to ensure that the forum had no impact or effect. However a sub committee was formed. The employee chair said:

*There is no real select committee. I just meet the management chair. We meet once or twice before the forum. About two or three months prior. It's difficult to say how effective it is. I have put some points forward.*

It would appear that the director’s control techniques prevailed and the select committee was ineffective and the agenda was similarly disappointing.
The director said he proposed agenda items to the employee chair who could add items but at the last meeting, in 2000, he did not do so. It appeared to be a forum where management dictated the agenda (Appendix 22) which included a review of business performance, losses in Germany, investment in Greece, the potential of the market in Turkey and a question and answer session. Under “any other business” the director had proposed that the forum only met when there was something to discuss but the delegates had not agreed. He argued that little if anything had been achieved. In contrast, the employee spokesperson said he had met the chair, two or three times, to sort out issues. He had e-mailed representatives and had suggested, based on an analysis of employee numbers, that the UK delegation should be increased to four and the German from two to three. He also suggested the non-union plants in Germany should have their own representation. He said that:

... there was a lack of fractious issues. Ideas were not really coming from representatives. I did not know what to put forward. I mentioned preparation for the euro ten months before the company did. I asked about a takeover made by a Dutch grandparent company.

It is suggested that isolated and untrained representatives were at a loss to know what issues to raise or how to utilise the forum. Management had lost patience and suggested the effective curtailment of the forum. The director said that:

The management had proposed in 2000 that the forum should meet as and when required, when there is something to discuss and talk about. There has been a lack of significant agenda items. The reps. have opposed the proposal. So I suppose we shall have to go on meeting and they've nothing to say.

It could be argued that it had been management’s strategic objective to ensure that the forum failed so that it could be closed. There was not a constructive contribution to industrial relations and certainly no benefits for employees. The lack of mutual comprehension extended to proposals about training.
The director said that excellent training proposals had been put to representatives and had drawn no response. There had been an argument at the SNB about training: it had been agreed that it could be requested but it was not to be specified in the agreement. The plan, which had not materialised, had been that forums would last for two days with the first day devoted to training. The employee chair said that training proposals, which he denied rejecting, had not been presented. He had been unaware of them until I drew them to his attention. He said such training would have got the forum off to a good start (Appendix 25). Some representatives from other countries had been trained for their role in works councils so they had been better prepared. In five of the case study companies, representatives had been able to use trade union courses to enhance skills but, at Bright Lights, UK representatives did not have that option. The arrangements for feedback appeared to have suffered from similar problems.

The director outlined the procedure for feedback from Britain’s own domestic employee forum. However, when the field research was undertaken, it had not met for some time and appeared to be inactive. He described the procedure for agreeing the minutes for the European forum and said they were then cascaded to the territories. He added that a communiqué went in a newsletter. He argued that the representatives had not responded and did not understand their role. In contrast the employee chair said he would like to widen feedback and add more detail as he was, coincidentally, editor of the company’s newsletter. However, he regretted there was a low level of interest. The divergence in understanding between the parties was once again problematic (Appendix 27). The forum appeared paralysed by managerial negativity, control techniques and poor communications. The only impact on industrial relations would appear to be one of negativity.
6.12.4 Impact on industrial relations

The director argued that the forum encouraged a pan-European dialogue so that senior managers got another perspective from hourly paid representatives. Yet the British representatives appeared to be managers. He said it had been a catalyst for the establishment of the UK and Ireland employee forum which was moribund at the time of the research. He suggested that the European forum had been an expensive waste of time, as the mainly non-union representatives had nothing to say of value. The representatives’ request for a worldwide forum had been rejected as it would have been an even more expensive waste. The company had adopted a minimalist approach which suggested opportunism, tokenism and antipathy to consultation and involvement.

The employee spokesperson argued that the forum had provided connections with other countries, representatives had gained access to a bigger picture, and non-union representatives had more information. He made reference to language problems and considered that difficulties between union and non-union representatives had been managed. He commented that the forum did not meet often enough to develop relationships. He suggested that the talk about partnership seemed to have been forgotten and that the absence of any experience of local or national collective bargaining was a disadvantage to UK representatives. The constant turnover of representatives at the European forum was problematic. He wondered “Does the absence of agenda items mean that all is great, or do we not know where to start? Are
we asking enough? Are we asking the right questions?" A range of managerial control techniques had undermined the non-union representatives.

The forum appeared to be locked into a downward spiral of ineffectiveness and decline. It is suggested this was what management were seeking to achieve and the only contribution to industrial relations was one of negativity.

6.13 Bright Lights, 2004

The director declined to be interviewed and said the company had not wished to participate due to pressure of work and an intention to sell the business. The representative had left the company and my contact in the company was taking maternity leave for 12 months. It did prove possible to establish that the forum still existed.

6.14 Conclusions

The aim of this thesis is to undertake a qualitative analysis of EWCs to determine their impact on industrial relations for British based companies and those whom they aspire to represent. Insight will be offered into the degree of managerial control and the effectiveness of representation.

It is suggested that to varying degrees forums are subject to managerial control. There are many ways to exercise control, whether they are restrictive or permit a degree of autonomy (Hyman, 2001; Weston and Martinez Lucio, 1997; Wills, 2000). The outcome would seem to be the same in that management shape the forum in the
manner they desire. The forums are crafted to the image determined by management
within the restrictions and limitations of the EWCD (1994). Therefore at Precision
Instruments, a conglomerate which had dismantled its European management
structure, the forum was viewed as unwelcome and it was tightly regulated. At Bright
Lights there was antipathy, in a business largely devoid of consultative procedures,
and that hostility would indicate a desire to see the forum close. It is possible that
its sale may be a catalyst for such a closure as was the case at Insulation. At Tasty
Food and Opaque Glass the forum had some relationship to the structure of the
business and was seen as a vehicle for furthering the human resource management
strategy. It was viewed as a means of cascading information but it was carefully
controlled and isolated as if in quarantine (Hall et al., 2003; Stirling and Fitzgerald,
2001). In spite of internecine conflict between European and Japanese management at
Sunshine Textiles and chronic mismanagement, the forum in the conglomerate was
tightly controlled. At Insulation a forum emerged that appeared to show potential for
developing into a significant industrial relations institution: this was then unilaterally
closed by a new management that either feared its potential or saw it as irrelevant or
both. The trade unions had other priorities so the closure went unchallenged, which
had presumably been anticipated by management.

The forum may be viewed as a representational structure equipped with limited legal
rights and a restricted remit in relation to the enormous power of multi-national
companies that would, all else being equal, manufacture in low-cost countries, e.g.
China and the Czech Republic. To varying degrees the representatives at case study
companies were able to work together but that was difficult at conglomerates like
Sunshine Textiles and Precision Instruments (Lecher et al., 2001: 138; Wills, 1998,
Paper 4: 8). At Opaque Glass international co-ordination was problematic due to managerial control and the challenges of "social dumping". At Tasty Food latitude was granted to representatives to an exceptional degree but the forum operated in a void and was effectively insulated from any other procedures. It was akin to the freedom to fly in a cage. At Bright Lights untrained non-unionised representatives were bemused and lacked a comprehension of their role, which would appear to have suited management's purpose. Finally, at Insulation, an effective but informal system of consultative processes worked reasonably well and a framework agreement was negotiated but before the forum was able to exploit its potential it was closed, thus demonstrating the ultimate impotence of representatives.

The contribution to industrial relations would appear to be limited. It is argued that information and networking was usually of value (Visser, 1992), though to a lesser degree in conglomerates like Sunshine Textiles and Precision Instruments and possibly not at all at Bright Lights. In the last case the forum had a negative effect on industrial relations. It was always useful, if nothing else, for trade unionists to meet representatives from other UK plants. For representatives the European picture was of some use in understanding and interpreting events at home, on the other hand, forums were not effective in the regulation of labour rights in the global supply chain and it was naïve to presume that they could have such a role. For instance, the impact on industrial relations at Precision Instruments was negligible as two businesses have closed and work has been relocated outside the EU. At Tasty Food and potentially at Opaque Glass, international co-ordination could provide a useful data base. The two-tier arrangements which have emerged at Opaque Glass have further expanded the contribution to networking and information (Carley and Marginson, 2000).
Representatives at Tasty Food could use their dominance to protect jobs in Britain at the expense of other EU countries (Miller, 1999: 347-348).

It is argued that in many cases EWCs have made a useful but peripheral contribution to industrial relations in terms of networking and information. However, they are largely incapable of regulating or influencing, to a significant degree, “social dumping” (Lecher et al., 2001: 41; Marginson and Sisson, 1998: 516; Schulten, 1996: 319). In conglomerates like Sunshine Textiles and Precision Instruments their role is less effective but they have a symbolic value. A combination of an absence of trade unions with a hostile management may cause a forum to close e.g. Bright Lights. Where the forum relates to managerial structures, such as at Tasty Food and Opaque Glass, they may serve as a useful conduit for information and consultation to support the human resource strategy. However they are isolated from other procedures. At Insulation, where there was something approaching a partnership, the forum appeared to be either a victim of its own success or a cause of fear for the new owners, so it was closed. In contrast to the views of optimists it is argued there are limited indirect benefits for employees and those representatives and managers not involved directly but, on the other hand, forums do not seem to be facing extinction (Fitzgerald and Stirling, 2004: 92).
7.0 Conclusions

The main aim of this thesis was to evaluate and analyse the impact that EWCs have on industrial relations in British workplaces. This has been contextualised by the enthusiasm and advocacy of academics, politicians and practitioners, who argued for the EWCD (1994) and now believe in the positive potential of those institutions that have been created (Lecher et al., 1999; 2001; 2003; Marginson, 1996a; 1998; 1999). There has been an absence of qualitative research to analyse the processes that are taking place, the roles of those involved and the contribution to industrial relations and the lives of working people.

Enthusiasts would point to forum representatives as able to engage, on an annual basis, with multi-national companies. In addition, they are able to network, access information and consult in a way previously denied them either totally, or partially, at plant, sector or national level. They argue that EWCs have provided an effective method for employee involvement. Representatives interact both formally and informally with directors and senior managers who make business decisions that affect operations in the SEM. However, a question was raised by this approach concerning the impact of EWCs for people at work and for a company's industrial relations. This thesis has addressed that question by examining as case studies British based companies some of which were subsidiaries of American or Japanese businesses or, in one instance, an acquisition by a German company.
My research has argued that the response of many multi-national companies was to secure a voluntary agreement. This permitted flexibility that would enable forums to be incorporated, or at least not challenge, human resource management strategy. That finding confirms and develops the work of Hall (1994a), Rivest (1996) and Shulten (1996). Such an approach provided multi-national companies with a mechanism to assert the control that they desired to achieve business objectives. For instance, at Precision Instruments management wished to ensure the forum did not challenge its objective to relocate operations from the EEA to countries with lower operational costs (Annual Report, 2003). Some of those companies required to make an Article 6 agreement have sought to make similar accommodations.

Those companies selected as case studies used EWCs to disseminate human resource information and influence formers of opinion, e.g. Insulation, Opaque Glass and Tasty Food. My research has found that the understanding or engagement or involvement was in some instances limited and, in others, invisible. That situation was compounded by the seeming irrelevance and remoteness of forums to “ordinary” employees, managers and representatives. Therefore those EWCs, which were the subject of this research, have failed to achieve their objective to “improve the right to information and to consultation” (Article 1, para.1) and act as an intermediary between social partners, which was seen as the purpose by Ramsey (1997). There is conflict, in many businesses, between the potential of employee involvement and the reality of human resource management, which has been combined with the alienation of the workforce from events at European level. The involvement would appear, in the main, confined to those senior representatives and managers who attend. At best the six forums studied were a vehicle for human resource strategy, which will enable
companies to increase control by presenting a convincing message. The use of forums as a mechanism through which to channel company communication has been discussed by a number of theorists: Steeck and Vitols, (1995) and Lecher et al., (1999; 2001) and this thesis has added to that analysis. Having located case study EWCs in terms of employee involvement, the findings with respect to key aims of this thesis are addressed below.

The introduction of this thesis set out three key aims concerning EWCs. The first aim was to consider the impact of forums on employees, representatives and managers and the contribution they made to industrial relations in British based companies. It was concluded, with respect to the case study companies, that even those managements with an open style wished to restrict the role of EWCs to that of an isolated body. There were no signs of forums interacting, to a significant degree, with collective bargaining or domestic joint consultation. In addition, the forums studied have not assisted those trade unions which are trying to create national bargaining arrangements. That usually happens when, due to structural change or some other reasons, it meets managerial objectives, e.g. Sunshine Textiles. No evidence was found of forums having the capacity to transform relationships, between representatives and management in multi-national companies, as suggested by some enthusiastic advocates such as Marginson and Sisson (2002). In contrast, in most sectors, a limited number of framework agreements may be reached concerning non-controversial issues e.g. Insulation, and networking may help with plant closures and layoffs, e.g. Opaque Glass and Precision Instruments. Whilst excessive optimism concerning EWCs, as an industrial relations institution, may be misplaced there is, on the other hand, no indication of an imminent demise. Fitzgerald and Stirling (2004)
have also argued that most EWCs are considered to be of enough value to retain. Indeed, some theorists (Hancké, 2000; Whittall, 2000) have cited examples where, in certain sectors such as the motor industry, EWCs have made a significant contribution.

It was argued that most employees are aware of the existence of a forum, have a broad grasp of when it started, what it does and with whom it meets. It is seen as a useful source of information and that alone should ensure its retention. However, in the case studies there are no expectations for its growth or development. It was apparent that communication, consultation and feedback arrangements are limited and make little or no impression: they appear to have largely passed by those at work. Trade union representatives seemed to be marginally better informed than employees, because they are usually among the small minority of members who attend branch meetings, but their attitudes are the same as those of employees. People are not forthcoming with ideas and suggestions to develop forums but they are realistic about them and value the information offered. Whilst it was apparent that employees and union representatives saw only a marginal contribution to industrial relations no interviewee wished, on the other hand, to disregard a forum since, in spite of limitations, they are worth retaining.

It was surprising to find that those managers who are not directly involved appeared to be even less well informed than representatives and employees. They had in some instances almost no understanding of the role of a forum, its membership and business and expressed cynicism concerning lack of communication, time and money. Indeed their poor briefing may reflect managerial attitudes to a forum. However, the human
resource managers and managerial delegates involved should be taken aback at ignorance: on the other hand it may just reflect their own indifference. In any event it is argued that, in the case studies, there was not a perception of a significant contribution to a company's industrial relations. However, it must be remembered that some non-participants were ill-placed to judge the impact of EWCs and their perceptions must be viewed in that light.

That led to the examination of the second aim of the thesis, which concerned management and trade union representational and international inter-union issues. At some EWCs managerial ideological antipathy from American owners hindered the inception and development of forums, e.g. Precision Instruments and Tasty Food. Examples in the case studies suggested it may take one of two contrasting forms. On one hand, antipathy could be expressed in outright opposition followed by a pragmatic Article 6 agreement, with a determination to make the best of things, e.g. Tasty Food; on the other, an Article 13 agreement may be reached to obtain the maximum latitude with which to arrange a symbolic forum, e.g. Precision Instruments. Inevitably some firms with Article 6 agreements continue to be hostile to forums, e.g. Bright Lights. Had the case studies included more companies based in France or Germany, one may speculate, a more constructive managerial attitude might have emerged. In contrast to the negativity of American owners some Japanese companies tend to embrace the idea of a forum e.g. Sunshine Textiles. That supports and develops the view of Nakano (1999).

It was also argued that the structure of a company is influential in determining an approach to a forum and the processes that emerge. The pull of the national system similarly presents a challenge, a view that has also been expressed by Gilman and
Marginson (2002) and Fitzgerald and Stirling (2004). Some businesses have removed overarching European management structures, to empower semi-autonomous business units and therefore find a forum alien to their management style, e.g. Precision Instruments. Other businesses with a single product have restructured to meet the challenges of the SEM and found there is synergy between their new structure, their human resource strategy and a forum e.g. Insulation, Opaque Glass and Tasty Food. However, some one product companies remain negative, e.g. Bright Lights. It was argued that the forum at Insulation became so successful, after restructuring, that it was a victim of its own success: a transfer of ownership was used to close what could have emerged as an industrial relations institution.

It was suggested that the homogeneity of a company's product range is influential in determining the attitude of management to the forum. Businesses that are conglomerates in different business sectors find the interaction of representatives across the EEA unhelpful, e.g. Precision Instruments and Sunshine Textiles. There is difficulty communicating in the absence of a product as a focal point, thus creating a metaphorical common language. Some managements change their approach to a forum over a period of time, perhaps following a business restructuring. For instance, if a forum ceases to relate to a conglomerate and covers one product then it may be seen as less problematical, e.g. Insulation. If a business encounters financial difficulty or changes hands the forum may be seen as irrelevant by management and possibly representatives, e.g. Bright Lights and Insulation.

The composition of forum delegations by nationality is often uneven, which may give the dominant party, usually from the home country, an opportunity to manipulate the forum to its own agenda e.g. Tasty Food. That confirms research by Miller (1999)
who drew a similar conclusion. In other instances management may form an alliance with a particular group of representatives and grant them privileged influence e.g. Opaque Glass. In some cases representational structures may be unbalanced and disorganised, with excessive managerial presence or illogical employee representation, e.g. Sunshine Textiles. "Social dumping" almost inevitably appears to divide and fragment representatives, which is an issue commented upon by Lecher et al., (2001), Marginson and Sisson (1998) and Schulten (1996). If dealing with such issues is a litmus test then many EWCs have failed, e.g. Opaque Glass, Precision Instruments and Tasty Food. However, in contrast, there are examples of a constructive contribution by EWCs in the car industry (Hancké, 2000; Whittall, 2000). In those forums dominated by non-unionised representatives in service industries, with a high labour turnover, inexperienced and untrained representatives are usually easily out-maneuvered by management, e.g. Bright Lights. Such forums are likely to be vulnerable to closure, especially when there is a change, or potential change, of ownership, e.g. Bright Lights. The scale of any contribution would hinge on the balance between many factors, which endorses and develops a point made by Ramsey (1997).

It was argued, from the case studies, that forums tend to have less support from FTOs and European trade union federations once they have been launched due to pressure on limited resources. Therefore promising agreements, identified by quantitative research methods, do not necessarily translate into meaningful or useful processes, e.g. Bright Lights, Precision Instruments and Sunshine Textiles. In contrast, a case study illustrated that forums without support from FTOs and largely informal processes may function owing to the quality of consultative processes, e.g. Insulation
It is apparent that trade unions, in many forums, have failed representational tests, in that they have not stood in constituencies which are non-unionised, thus in the view of management potentially undermining their own representational role, e.g. Insulation and Tasty Food.

It was the third aim of the thesis to understand the methods used by management to achieve control. That is an issue that has intrigued a number of theorists such as Hyman (2001), Weston and Martinez Lucio (1997) and Wills (2000). On the basis of my research it was argued that some methods appeared to be almost universally applied: a veto on the convening of extraordinary meetings; a lack of adequate communication and feedback, which confirms and develops the research of Stirling and Tully (2002); and withholding training or its use as a control technique which was discussed by Miller (1999). That battery of methods is sufficient in itself to lower the profile of forums, in many instances and marginalise them as an industrial relations institution.

It would appear that the crudest form of negativity is evident in businesses that have grudgingly embarked on a minimalistic forum in an environment hostile to consultation and representation. Typically such businesses may be found in a non-unionised service sector where high labour turnover helps achieve managerial control, e.g. Bright Lights. The case studies contain many other examples of techniques that may be deployed which are invisible to those using quantitative methods. It is evident that representatives, in many instances, are largely impotent in responding to determined actions of management or managerial indifference. Those used may include manipulating and impairing the operation of a select committee, e.g.
Insulation and Opaque Glass; using restrictive practices in respect of the agenda which confirms the work by Lamers, (1998), e.g. Bright Lights and Opaque Glass; scripted and stifled interaction, e.g. Precision Instruments and Sunshine Textiles; unbalanced and distorted representation, e.g. Sunshine Textiles; lack of co-operation over a scheduled revision of an agreement, e.g. Opaque Glass; declining to arrange site visits, e.g., Bright Lights and Tasty Food, or preventing representatives debriefing after a forum, e.g. Sunshine Textiles. The ultimate control technique is unilaterally to close a forum and ignore any reaction, especially if it appears to be evolving into a body that might challenge managerial control, e.g. Insulation.

It was illustrated that at other forums different but equally effective methods are used as controls. The means of representation may be extensive, enabling international co-ordination, fact-finding visits and meetings between delegates. However, it appeared that in spite of the latitude granted and significant investment, most forums are closely constrained to the scope of the directive and isolated from influencing national or plant industrial relations, e.g. Opaque Glass and Tasty Food. It is argued, from the case studies, that control may be achieved by withholding facilities or, on the other hand, by granting extensive facilities within a closely defined remit. With either approach the outcome is the same: managerial control through manipulation. Hence, though numerous quantitative studies have shown that on paper the requirements exist to create forums that can engage in meaningful interaction at an international level, it is evident from qualitative research that management is more than capable, in many cases, of achieving total control.

The major points to emerge from my research are, first, that enthusiastic advocacy of forums and their potential based on quantitative research has been misplaced as a
generalisation. The developments anticipated by the optimistic view could only happen with the acquiescence of management, which in most instances is unlikely to be forthcoming. Second, qualitative research will provide a detailed insight into the views of forum members about the way councils perform in reality. Most forums are considered to play a useful role as a source of information and networking - so they will be perpetuated. It is suggested this is less the case where forums relate to conglomerates or are based in a non unionised service sector. Third, the contribution of forums to industrial relations is in many companies limited because of their seeming remoteness in a physical sense, in their frequency, content and procedural terms. The forums are often peripheral to the working lives of those not directly involved, apparently seeming to have negligible effect; it was evident people involved are usually informed of decisions rather than consulted. The forums selected as case studies are largely incapable of regulating or influencing “social dumping”. It is argued that in each instance there is a minor contribution to a company’s industrial relations: therefore, as a method of employee involvement, many have not achieved their objective. Fourth, most forums are subject to numerous representational issues that trade unions appear to often have difficulty addressing, and they may be easily controlled and manipulated by management through a range of techniques. It was naïve to believe that EWCs with their limited statutory powers could, in the normal course of events, influence multi-national companies. While it is argued that the findings may be extrapolated to a wider number of EWCs, given the diversity and typicality of those case studies selected, it is noted that some researchers have found instances where EWCs have played a valuable role in industrial relations in certain sectors.
A number of questions remain. It is suggested that the challenge presented by EU enlargement has yet to be addressed. This may further stimulate restructuring, mergers and relocation, which will place the limitations of some EWCs into sharper relief. Unions may find it difficult to assimilate representatives from new industrial relations systems with lower labour costs: this could be divisive. The ETUC will seek to address representational issues and to reduce managerial control of forums during the current review, by the EC, of the EWCD (1994). It is apparent that representational issues will include the role of trade unions and FTOs in SNBs, in the renegotiation of agreements and in participation at meetings. There are also matters regarding the timescales for negotiation of agreements and the timeliness of consultative processes. The ETUC will challenge managerial control by questioning the validity of actions taken without consultation and seek penalties for such an omission. The issue of a statutory right to time-off for training has been raised many times, as have both pre- and post-forum meetings for representatives.

Inevitably, it is likely that UNICE will oppose any amendments which strengthen the directive as it has consistently argued that dialogue is most appropriate at company level. It is suggested that management will continue to seek added value through various techniques, such as working parties or sub-groups, and that opportunities for informal discussions will be exploited. The interaction may be enriched by plant visits, joint training and variation in venue but cost is likely to remain a concern.

It would appear likely that peripheral changes to the EWCD (1994) will make only a marginal difference to the imbalance of power between most forums and multinational companies. If the EC were able to overcome the opposition of employers and
increase the power of councils, then it is possible that meaningful industrial relations institutions may emerge to mirror the positive developments discussed by some theorists in relation to the motor trade. However, it is suggested that at present, in most instances, trade unions could be left exploiting those networking opportunities that exist and gleaning what information they may. It is possible that further research, using qualitative methods, will lend increasing weight to a more sceptical theoretical view of many EWCs as an industrial relations entity.
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on the establishment of a European Works Council or a procedure for Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Agreement on social policy annexed to Protocol on Social Policy annexed to the Treaty establishing the European Community, and in particular Article 2(2) thereof, having regard to the proposal from the Commission, having regard to the opinion of the Economic and Social Committee, acting in accordance with the procedure referred to in Article 189c of the Treaty, whereby on the basis of the Protocol on Social Policy annexed to the Treaty establishing the European Community, the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the Portuguese Republic (hereinafter referred to as 'the Member States'), desirous of implementing the Social Charter of 1989, have adopted an Agreement on Social Policy, having regard to the proposal from the Commission pursuant to Article 3(3) of the said Agreement, and management and labour have presented their opinions to the Commission, whereas following the procedure of consultation, management and labour have not informed the Commission of their wish to initiate the process which might lead to the conclusion of an agreement, as provided for in Article 4 of the Agreement, whereas the functioning of the internal market involves a process of concentrations of undertakings, cross-border mergers, take-overs, joint ventures and consequently a transnationalisation of undertakings and groups of undertakings, whereas this may lead to the unequal treatment of employees affected by decisions within one and the same undertaking or group of undertakings, whereas appropriate provisions must be adopted to ensure that the employees of Community-scale undertakings are properly informed and consulted when decisions which affect them are taken in a Member State other than that in which they are employed, whereas in order to guarantee that the employees of undertakings or groups of undertakings operating in two or more Member States are properly informed and consulted, it is necessary to set up European Works Councils or to create other suitable procedures for the transnational information and consultation of employees; whereas it is accordingly necessary to have a definition of the concept of controlling undertaking or group relating solely to this Directive and not prejudging definitions of the concepts of group or control which might be adopted in texts to be drafted in the future; whereas the mechanisms for informing and consulting employees in such undertakings or groups must encompass all of the establishments of the undertaking or the group's controlling undertaking located within the Member States, regardless of whether the undertaking or the group's controlling undertaking has its central management inside or outside the territory of the Member States; whereas, in accordance with the principle of autonomy of the parties, it is for the representatives of workers and the management of the undertaking or the group's controlling undertaking to determine by agreement the nature, competence, absence or presence of the function, mode of operation, procedures and financial resources of European Works Councils or other information and consultation procedures as to suit their own particular circumstances; whereas, in accordance with the principle of subsidiarity, it is for the Member States to determine whether employees' representatives are and in particular to provide, if they consider appropriate, for a balanced representation of different categories of employees; whereas, however, provision should be made for certain subsidiary requirements to apply should the parties decide or in the event of the central management refusing to initiate negotiations or in the absence of agreement subsequent to such negotiations; whereas, moreover, employees' representatives may decide not to seek the setting up of a European Works Council or the parties concerned may decide on other procedures for the transnational information and consultation of employees; whereas, without prejudice to the possibility of the parties deciding otherwise, the European Works Council must be able to deliver an opinion at the end of that meeting; whereas certain decisions having a significant effect on the interests of employees must be the subject of information and consultation of the employees' appointed representatives as soon as possible; whereas, provision should be made for the employees' representatives acting within the framework of the Directive to enjoy, when exercising their functions, the same protection and protection and/or assistance provided to employees' representatives by the legislation and/or practice of the country of employment; whereas the information and consultation provisions laid down in this Directive must be implemented in the case of an undertaking or a group's controlling undertaking which has its central management outside the territory of the Member States by its representative agent, to be designated by the Member States or, in the absence of such an agent, by the establishment or controlled undertaking employing the greatest number of employees in the Member State; whereas special treatment should be accorded to Community-scale undertakings and groups of undertakings in which there exists, at the time when the undertaking or group is set up, an agreement, covering the entire workforce, providing for the transnational information and consultation of employees; whereas the Member States must take appropriate measures in the event of failure to comply with the obligations laid down in this Directive, HAS ADOPTED THIS DIRECTIVE:

Section 1 General Provisions

Article 1 Objective

1. The purpose of this Directive is to improve the right to information and to consultation of employees in Community-scale undertakings and Community-scale groups of undertakings.

2. To that end, a European Works Council or a procedure for informing and consulting employees shall be established in every Community-scale undertaking and every Community-scale group of undertakings, where requested in the manner laid down in Article 5(1) of this Directive, for informing and consulting employees under the terms, in the manner and with the effects laid down in this Directive.

3. Notwithstanding paragraph 2, where a Community-scale group of undertakings within the meaning of Article 2(1)c) comprises one or more undertakings or groups of undertakings
which are Community-scale undertakings or Community-scale undertakings within the meaning of Article 2(1)(a) or (c), a European Works Council shall be established at the level of the group unless the agreements referred to in Article 6 provide otherwise.

4. Unless a wider scope is provided for in the agreements referred to in Article 6, the powers and competence of European Works Councils and the scope of information and consultation procedures established to achieve the purpose specified in paragraph 1 shall, in the case of a Community-scale undertakings, cover all the establishments located within the Member States and, in the case of a Community-scale group of undertakings, all group undertakings located within the Member States.

5. Member States may provide that this Directive shall not apply to merchant navy crews.

Article 2 Definitions

1. For the purposes of this Directive:
(a) 'Community-scale undertaking' means any undertaking with at least 1,000 employees within the Member States and at least 150 employees in each of at least two Member States,
(b) 'group of undertakings' means a controlling undertaking and its controlled undertakings,
(c) 'Community-scale group of undertakings' means a group of undertakings with the following characteristics:
1. At least 1,000 employees within the Member States,
2. At least two group undertakings in different Member States, and
3. At least one other group undertaking with at least 150 employees in another Member State.
(d) 'employees' representatives' means the employees' representatives provided for by national law and/or practice.
(e) 'central management' means the central management of the Community-scale undertaking or, in the case of a Community-scale group of undertakings, the controlling undertaking.
(f) 'consultation' means the exchange of views and establishment of dialogue between employees' representatives and central management or any more appropriate level of management.
(g) 'European Works Council' means the council established in accordance with Article 1(2) and the provisions of the Annex.
(h) 'special negotiating body' means the body established in accordance with Article 5(2) to negotiate with the central management regarding the establishment of a European Works Council or a procedure for informing and consulting employees in accordance with Article 12(6).

2. For the purposes of this Directive, the prescribed thresholds for the size of the workforce shall be based on the average number of employees, including permanent employees, employed during the previous two years calculated according to national legislation and/or practice.

Article 3 Definition of 'controlling undertaking'

1. For the purposes of this Directive, 'controlling undertaking' means an undertaking which can exercise a dominant influence over another undertaking (the controlled undertaking) by virtue, for example, of ownership, financial participation or the rules which govern it.
2. The ability to exercise a dominant influence shall be presumed, without prejudice to proof to the contrary, when, in relation to another undertaking directly or indirectly:
(a) holds a majority of that undertaking's subscribed capital; or
(b) controls a majority of the votes attached to that undertaking's issued share capital; or
(c) can appoint more than half of the members of that undertaking's administrative, management or supervisory body.
3. For the purposes of paragraphs 1 and 2, a controlling undertaking has the right to exercise its influence as regards voting and appointment which includes the rights of any other controlling undertaking or any person or body acting in its or his own name but on behalf of the controlling undertaking or of any other controlling undertaking.
4. Notwithstanding paragraphs 1 and 2, an undertaking shall not be deemed to be a 'controlling undertaking' with respect to another undertaking in which it has holdings where the former undertaking is a company referred to in Article 3(5)(a) or (c) of Council Regulation (EEC) No 4064/89 of 21 December 1989 on the control of concentrations between undertakings.
5. A dominant influence shall not be presumed to be exercised solely by virtue of the fact that an office holder is exercising his functions, according to the law of the country in which that office holder is exercising those functions, in the case of a liquidation, winding up, insolvency, cessation of payments compositions or analogous proceedings.
6. The law applicable in order to determine whether an undertaking is a 'controlling undertaking' shall be the law of the Member State of establishment of the undertaking.
7. Where, in the case of a conflict of laws in the application of paragraph 2, two or more undertakings from a group satisfy one or more of the criteria laid down in that paragraph, the undertaking which satisfies the criteria laid down in point (c) thereof shall be regarded as the controlling undertaking, without prejudice to proof that another undertaking is able to exercise a dominant influence.

Section II Establishment of a European Works Council or an Employee Information and Consultation Procedure

Article 4 Responsibility for the establishment of a European Works Council or an employee information and consultation procedure

1. The central management shall be responsible for the establishment of a European Works Council or an information and consultation procedure. In this context, the central management shall:
(a) hold a majority of the voting rights in that undertaking's administrative, management or supervisory body;
(b) be able to exercise the rights in its own name or, in the absence of such rights, on behalf of that undertaking, as regards voting and appointment which includes the rights of any other controlling undertaking or an undertaking or body acting in its or his own name but on behalf of the controlling undertaking or of any other controlled undertaking.
2. Notwithstanding paragraphs 1 and 2, an undertaking shall not be deemed to be a 'controlling undertaking' with respect to another undertaking in which it has holdings where the former undertaking is a company referred to in Article 3(5)(a) or (c) of Council Regulation (EEC) No 4064/89 of 21 December 1989 on the control of concentrations between undertakings.
3. A dominant influence shall not be presumed to be exercised solely by virtue of the fact that an office holder is exercising his functions, according to the law of the country in which that office holder is exercising those functions, in the case of a liquidation, winding up, insolvency, cessation of payments compositions or analogous proceedings.
4. The law applicable in order to determine whether an undertaking is a 'controlling undertaking' shall be the law of the Member State of establishment of the undertaking.
5. Where, in the case of a conflict of laws in the application of paragraph 2, two or more undertakings from a group satisfy one or more of the criteria laid down in that paragraph, the undertaking which satisfies the criteria laid down in point (c) thereof shall be regarded as the controlling undertaking, without prejudice to proof that another undertaking is able to exercise a dominant influence.

Article 5 Special negotiating body

1. In order to achieve the objectives in Article 1(1), the central management shall initiate, in accordance with the regulations of a European Works Council or an information and consultation procedure on its own initiative or at the request of the employees' representatives in at least two undertakings or establishments in at least two different Member States.
2. For this purpose, a special negotiating body shall be established in accordance with the following guidelines:
(a) The Member States shall determine the method by which the election or appointment of the members of the special negotiating body are to be elected or appointed. Member States shall provide that employees in undertakings and establishments in which there are no employees' representatives through no fault of their own, have the right to elect or appoint members of the special negotiating body.

The second subparagraph shall be without prejudice to national legislation and/or practice laying down thresholds for the establishment of employee representation bodies.
(b) The special negotiating body shall have a minimum of three and a maximum of 17 members.
(c) In these elections or appointments, it must be ensured — firstly, that each Member State in which the Community-scale undertaking has one or more establishments or in which the Community-scale group of undertakings is represented by one member, secondly, that there are supplementary members in proportion to the number of employees working in the establishments, the controlling undertaking or the controlled undertakings as laid down by the legislation of the Member State within the territory of which the central management is situated.
(d) The central management and local management shall inform the composition of the special negotiating body.
3. The special negotiating body shall have the task of determining, with the central management, according to the procedure, the scope, composition, functions, and term of office of the European Works Council(s) or the arrangements for implementing a procedure for informing and consulting employees.
4. With a view to the conclusion of an agreement in accordance with Article 6, the central management shall convene a meeting of the special negotiating body. It shall inform the local management accordingly.
5. For the purpose of the negotiations, the special negotiating body may be assisted by experts of its own choosing.
6. The special negotiating body may decide, by at least two-thirds of the votes, not to open or to terminate the negotiations already opened.

Such a decision shall stop the procedure to conclude the agreement referred to in paragraph 1 Article 6. Where such a decision has been taken, the provisions in the Annex shall not apply.

A new request to convene the special negotiating body may be made at the earliest two years after the abovementioned decision unless the parties concerned lay down a shorter period.
7. Expenses relating to the negotiations referred to in paragraphs 3 and 4 shall be borne by the central management and so as to enable the special negotiating body to carry out its task in an appropriate manner.

In compliance with this principle, Member States...
Article 5 Content of the agreement
1. The central management and the special negotiating body must negotiate in a spirit of cooperation with a view to reaching an agreement on the detailed arrangements for implementing the information and consultation of employees provided for in Article 1(1) and the special negotiating body shall determine:

(a) the undertakings of the Community-scale group of undertakings or the establishments of the Community-scale undertakings which are covered by the agreement,

(b) the composition of the European Works Council, the number of members, the allocation of seats and the term of office,

c) the functions and the procedure for information and consultation of the European Works Council,

(d) the venue, frequency and duration of meetings of the European Works Council,

e) the financial and material resources to be allocated to the European Works Council,

2. Without prejudice to the autonomy of the parties, the agreement referred to in paragraph 1 between the central management and the special negotiating body shall determine:

(a) the undertakings of the Community-scale group of undertakings or the establishments of the Community-scale undertakings which are covered by the agreement,

(b) the composition of the European Works Council, the number of members, the allocation of seats and the term of office,

The agreement must stipulate by what method the employee representatives shall have the right to meet to discuss the information conveyed to them. This information shall relate in particular to the new decisions which significantly affect workers’ interests.

4. The agreements referred to in paragraphs 2 and 3 shall not, unless provision is made otherwise therein, be subject to the subsidiary requirements of the Annex.

5. The central management and the special negotiating body may decide, in writing, to establish one or more information and consultation procedures instead of a European Works Council. The agreement must stipulate by what method the employee representatives shall have the right to meet to discuss the information conveyed to them. This information shall relate in particular to the new decisions which significantly affect workers’ interests.

Article 6 Content of the agreement
1. Each Member State shall ensure that the management of establishments of a Community-scale undertaking and the management of undertakings which form part of a Community-scale group of undertakings, which are situated within its territory and their employees’ representatives or, as the case may be, employees of the undertaking or undertakings covered by the agreement, are subject to the obligations laid down by this Directive, regardless of whether or not the central management is situated within its territory.

2. Each Member State shall provide, in specific cases and under the conditions and limits laid down by national legislation, that the central management situated in its territory is not obliged to transmit information when it is sure that, according to objective criteria, it would seriously harm the functioning of the undertakings concerned or be prejudicial to them. A Member State may lay down budgetary rules regarding the dispensation subject to prior administrative or judicial authorization.

3. Each Member State may lay down particular provisions for the management of undertakings in its territory which pursue directly and essentially the aim of ideological guidance and essentially the aim of ideological guidance, with respect to information and the expression of opinions, on condition that, at the date of adoption of this Directive such particular provisions already exist in national legislation.

Article 7 Subsidiary requirements
1. In order to achieve the objectives of Article 1(1), the subsidiary requirements laid down by the legislation of the Member State in which the central management is situated shall apply:

(a) where the central management and the special negotiating body so decide, or

(b) where the central management refuses to commence negotiations within six months of the request referred to in Article 8(1), or where, after three years from the date of this request, they are unable to conclude an agreement as laid down in Article 6 and the special negotiating body has not taken the decision provided for in Article 8(1).

2. The subsidiary requirements referred to in paragraph 1 as adopted in the legislation of the Member States must satisfy the provisions set out in the Annex.

Section III Miscellaneous Provisions
Article 8 Confidential information
1. Member States shall provide that members of special negotiating bodies or of European Works Councils and any experts who assist them are not authorised to reveal any information which has expressly been provided to them in confidence.

The same applies to employee representatives in the framework of an information and consultation procedure.

This obligation shall continue to apply, wherever the persons referred to in the first and second subparagraphs are, even after the expiry of their terms of office:

2. Each Member State shall provide, in specific cases and under the conditions and limits laid down by national legislation, that the central management situated in its territory is not obliged to transmit information when it is sure that, according to objective criteria, it would seriously harm the functioning of the undertakings concerned or be prejudicial to them. A Member State may lay down budgetary rules regarding the dispensation subject to prior administrative or judicial authorization.

3. Each Member State may lay down particular provisions for the management of undertakings in its territory which pursue directly and essentially the aim of ideological guidance, with respect to information and the expression of opinions, on condition that, at the date of adoption of this Directive such particular provisions already exist in national legislation.

Article 9 Operation of European Works Council and consultation and information procedure for workers
1. The central management and the European Works Council shall work in a spirit of cooperation with due regard to their reciprocal rights and obligations.

The same shall apply to cooperation between the central management and employee representatives in the framework of an information and consultation procedure for workers.
Annex

Subsidiary Requirements referred to in Article 7 of the Directive

1 In order to achieve the objective in Article 1(1) of the Directive and in the cases provided for in Article 1(1) of the Directive, the establishment, composition and competence of a European Works Council shall be governed by the following rules:

(a) The competence of the European Works Council shall be limited to information and consultation on the matters which concern the Community-scale undertaking or Community-scale group of undertakings as a whole or at least two of its establishments or group undertakings situated in different Member States.

(b) The European Works Council shall be composed of employees of the Community-scale undertaking or Community-scale group of undertakings elected or appointed from their number by the employees' representatives or, in the absence thereof, by the entire body of employees.

(c) The European Works Council shall have a minimum of three members and a maximum of 30.

Where its size so warrants, it shall elect a select committee. This information and consultation meeting shall take place as soon as possible on the basis of a report drawn up by the central management, on the progress of the business of the Community-scale undertaking or Community-scale group of undertakings and its prospects. The local management shall be informed accordingly.

The meeting shall relate in particular to the structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof, and collective redundancies.

2. The European Works Council shall have the right to meet with the central management once a year, to be informed and consulted, on the basis of a report drawn up by the central management, on the progress of the business of the Community-scale undertaking or Community-scale group of undertakings and its prospects. The local management shall be informed accordingly.

3. Where there are exceptional circumstances affecting the employees' interests to a considerable extent, particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies, the select committee may be assisted by experts of its own choice, in so far as this is necessary for it to carry out its tasks.

4. The Member States may lay down rules on the chairing of information and consultation meetings.

In compliance with these principles, the Member States may lay down budgetary rules regarding the operation of the European Works Council. They may in particular limit funding to cover one expert only.

This meeting shall not affect the prerogatives of the central management.

5. Without prejudice to Article 8 of the Directive, the members of the European Works Council shall inform the representatives of the employees of the establishments or of the undertakings of a Community-scale group of undertakings or, in the absence of representatives, the work-force as a whole, of the content and outcome of the information and consultation procedure carried out in accordance with this Annex.

6. The European Works Council or the select committee may be assisted by experts of its choice, in so far as this is necessary for it to carry out its tasks.

The central management concerned shall provide the members of the European Works Council with such financial and material resources as will enable them to perform their duties in an appropriate manner.

In particular, the cost of organising meetings and arranging for interpretation facilities and the accommodation and travelling expenses of members of the European Works Council and its select committee shall be bore by the central management.

7. The operating expenses of the European Works Council shall be borne by the central management.

The central management concerned shall provide the members of the European Works Council with such financial and material resources as will enable them to perform their duties in an appropriate manner.

In particular, the cost of organising meetings and arranging for interpretation facilities and the accommodation and travelling expenses of members of the European Works Council and its select committee shall be bore by the central management.

In accordance with these principles, the Member States may lay down budgetary rules regarding the operation of the European Works Council. They may in particular limit funding to cover one expert only.

of 15 December 1997

extending to the United Kingdom of Great Britain and Northern Ireland, Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 100 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas the Council, acting in accordance with the Agreement on social policy annexed to Protocol 14 to the Treaty, and in particular Article 2(2) thereof, adopted Directive 94/43/EC (4); whereas, as a result, the said Directive does not apply to the United Kingdom of Great Britain and Northern Ireland;

Whereas the Amsterdam European Council held on 16 and 17 June 1997 noted with approval the agreement of the Intergovernmental Conference to incorporate the Agreement on social policy in the Treaty and also noted that a means should be found to give legal effect to the wish of the United Kingdom of Great Britain and Northern Ireland to accept the Directives already adopted on the basis of that Agreement before the signature of the Amsterdam Treaty; whereas this Directive seeks to achieve this aim by extending Directive 94/45/EC to the United Kingdom;

Whereas the fact that Directive 94/45/EC is not applicable in the United Kingdom directly affects the functioning of the internal market; whereas implementation of the said Directive in all the Member States will improve the functioning of the internal market;

Whereas Directive 94/45/EC provides for a maximum of 17 members of the special negotiating body; whereas such a number corresponds to the 14 Member States which are party to the Agreement on social policy plus the three remaining Contracting Parties of the European Economic Area; whereas the adoption of this Directive will bring the total number of States covered by Directive 94/45/EC to 18; whereas, therefore, the abovementioned maximum should be increased to 18 so that each Member State in which the Community-scale undertaking has one or more establishments or in which the Community-scale group of undertakings has the controlling undertaking or one or more controlled undertakings is represented;

Whereas Directive 94/45/EC provides for special treatment to be accorded to Community-scale undertakings and groups of undertakings in which there is, at 22 September 1996, an agreement covering the entire workforce providing for the transnational information and consultation of employees; whereas, accordingly, Community-scale undertakings and groups of undertakings falling within the scope of that Directive solely as a result of its application to the United Kingdom should be granted similar treatment;

Whereas the adoption of this Directive will make Directive 94/45/EC applicable in all Member States including the United Kingdom; whereas, from the date on which this Directive enters into force, the term 'Member States' in Directive 94/45/EC should be construed as including, where appropriate, the United Kingdom;

Whereas Member States were required to bring into force the laws, regulations and administrative provisions to comply with Directive 94/45/EC no later than two years after its adoption; whereas a similar period should be granted to the United Kingdom, as well as to the other Member States, to bring into force the necessary measures to comply with this Directive;

HAS ADOPTED THIS DIRECTIVE:

Article 1

Without prejudice to Article 3, Directive 94/45/EC shall apply to the United Kingdom of Great Britain and Northern Ireland.

Article 2

In Article 5(2)(b) of Directive 94/45/EC '17' shall be replaced by '18'.

Article 3

1. The obligations resulting from this Directive shall not apply to Community-scale undertakings or Community-scale groups of undertakings, which, solely by virtue of Article 1, fall within the scope of this Directive, provided that, on the date laid down in Article 4(1) or the date of its transposition in the Member State in question, where this is earlier than the said date, there is already an agreement covering the entire workforce providing for the transnational information and consultation of employees.

2. When the agreements referred to in paragraph 1 expire, the parties to those agreements may decide jointly to renew them. Where this is not the case, Directive 94/45/EC, as extended by this Directive, shall apply.

Article 4

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive no later than 15 December 1999 or shall ensure, by that date at the latest, that management and labour introduce the required provisions by way of agreement, the Member States being obliged to take all necessary steps enabling them at all times to guarantee the results imposed by this Directive. They shall forthwith inform the Commission thereof.

2. When Member States adopt these measures, they shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by the Member States.

Article 5

This Directive is addressed to the Member States.


For the Council

The President

J.-C. JUNCKER
Appendix 3  Semi Structured Interview Schedule- European Works Councils, 2001

A Qualitative Analysis and Evaluation of European Works Councils

Structured Interview Schedule

Date Location Start Time

1.0 Introduction

1.1 Name and address of company

1.2 Name of Interviewee

1.3 Role of Interviewee

1.4 Main activities of business (Tick)

Chemicals
Construction
Energy
Food/Drink/Tobacco
Manufacturing
Retail
Other Service
Transport
Banking/Insurance
Other

1.5 How would you define the structure of the business.

Possible answers include:

Conglomerate covering a lot of separate and unrelated business areas

Divisionalised with each division covering similar or related products

One integrated business controlled from the centre

Geographically structured by groups of countries or regions

A centrally controlled core business with franchise arrangements
2.0 **Distribution of Operations**

2.1 In which country is your HQ ________________________________

2.2 Where is your HQ? ________________________________________

2.3 Who owns the business and in which country are the owners based?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

2.4 How many people are employed total in the organisation world wide?

(Tick)
<100
100-499
500-999
1,000-9,999
10,000-49,999
Over 50,000

2.5 Roughly how many work in EEA (European Economic Area) areas?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

2.6 In which countries in the EEA does it operate and how many employees in each?

(Tick)
Austria__________
Belgium__________
Denmark__________
Finland__________
France___________
Germany__________
Greece___________
Holland__________
Iceland__________
Italy___________
Ireland__________
Luxemburg________
Liechtenstein______
2.7 Do you have operations in Switzerland and how many employees?

2.8 Do you operate in any of the following regions and if so
   a) Which countries, b) How many employees?
      (Tick)

   Australasia ______________________ Nos ______________________
   Eastern Europe ______________________ Nos ______________________
   North America ______________________ Nos ______________________
   South East Asia ______________________ Nos ______________________
   Other ______________________ Nos ______________________

3.0 Nature of Consultative Methods

3.1 Which of the following employee relations methods do you use and how well do they work?
   (Tick)
   Individual Negotiations
   Team Briefing
   Quality Circles
   Profit Related Pay
   Share Ownership Scheme
   JCC
   Works Council
   Works Committee
   Local Collective Bargaining
   Company Collective Bargaining
   National Collective Bargaining
   Trans National Collective Bargaining
   Others ______________________
   Effectiveness ______________________
   ______________________
   ______________________
   ______________________
   ______________________
   ______________________
   ______________________
   ______________________
   ______________________
3.2 Does your company have a EWC or a European level information and consultation procedure in operation?

EWC
EI&C

4.0 Nature of EWC

4.1 When was the EWC Agreement originally signed and by whom?

4.2 When was the EWC Agreement revised?

4.3 What is the geographical scope of the Agreement? Specify where appropriate.

Only EEA operations
World wide
Includes Switzerland
Includes Eastern Europe
Includes others

4.4 Is your agreement an Article 13 voluntary agreement or an Article 6 statutory agreement?

4.5 Is it a Management Union body as per the French approach or is it a Union only body that meets management in accordance with the German approach (Tick)
Management/Union
Union

4.6 Was a management representative or team put in charge of the implementation of the Directive and if so, at what level?

5.0 Origins of EWC

5.1 Did you have some sort of European level forum before the EWCD, if so what was it?
5.2 Which party initiated the subject of a EWC?

Possible answers:

Management (Who? Level?)

Company Trade Union Officials (Who? Which union(s))

Full Time Official (Who? Which union(s))

Non-unionised representative (Who?)

European Union Federation (Who? Which one?)

Managers and Trade Unions (Specify?)

5.3 Which trade union(s) are recognised in the UK and for which groups of employee?

AEEU
GMB
MSF
T&GWU
UNIFI
USDAW

5.4 Was a SNB set up under Article 6? If so how and who was on it? How did it function?
Yes/No

How?

Possible answer
One representative for each country with additional representatives in line with workforce size
Who was on it?

How did it function?

5.5 Who has taken the role of "expert"?

Possible answers:
Are none
FTO
Lay official
As required
Union Federation Official

5.6 How long did the agreement take to negotiate and why? What were the accelerating or decelerating factors?

Possible answers
Mutual commitment
Negative management attitude
Positive mgmt attitude
Short intervals between negotiation
Use of experts  
Absence of hidden agendas  
Pressure to meet A13 deadline

5.7 Was a formal cost/benefit analysis carried out, and if yes with what conclusion?

5.8 What areas of expense were most difficult/not possible to quantify?

5.9 Were there any other costs, other than time/direct costs involved, e.g. opportunity costs, strategic costs (e.g. having to develop strategies you did not want to engage)?

5.10 What were the start up costs? What does the EWC cost? What does the standing committee cost? What do extraordinary meetings cost?

Start Up?  
EWC cost?  
Standing Committee?  
Extraordinary Meetings?

Annual cost
Possible answers:

Set up £38k, Select £1.5-2k, EWC meeting £53k. 1EWC, 2 Standing Committees, 1 Extraordinary every 2 years-£60k-DTI average figures

6.0 Motives

6.1 Why did the company enter a voluntary agreement?
Possible answers could be:

Loss of managerial prerogative if compelled/preserve voluntarism
Avoid prescriptive requirements of statutory route/subsidiary requirements/special negotiating body
Response to trade union request
Other

OR

6.2 Why did the company enter a statutory agreement?

The company considered that existing mechanisms were adequate and saw no need for a EWC.
The diverse nature of the business did not lend itself to having an EWC
Inability to reach a voluntary agreement
Wished to do minimum/not sure unions would push for it.
Constant restructuring with sales/purchases means that the shape of the business changes too rapidly to construct a EWC
Management of change precluded being distracted by a voluntary agreement.
Other

6.3 Did the EWC affect the development of any employee communications or employee relations strategy?
7.0 Methods of Governance Representatives

7.1 If the Agreement has specified a standard system for appointing representatives what is it?

7.2 How are UK unionised representatives appointed/elected?

Possible answers could be:

- Nominated by trade unions
- Are FTOs
- Appointed by management
- Elected by constituency (specify)
- Other

7.3 How are UK non-unionised representatives appointed/elected?

Possible answers could be:

- Elected
- Nominated from works council/JCC
- Appointed by management
- Volunteers

7.4 How much competition is there for such posts?

7.5 What other roles do EWC representatives have in employee relation?

7.6 How are non UK representatives appointed/elected?
7.7 Is the appointment/election of non-UK representatives based on the appropriate national law and practice, or was it specified in the EWC Agreement?

7.8 What are the terms of office? Smoothing arrangements?

8.0 Meetings

8.1 How many times a year does the EWC usually meet?

8.2 What is the format of the meeting?

Possible answer could be (specify length):

Representative pre meeting
Joint dinner
Joint meeting
Joint lunch
Joint meeting
De briefing for representatives

8.3 How many times has the EWC met and where?

8.4 How is the agenda agreed?

8.5 Briefly describe the agenda at the last meeting.
Possible answers
(Tick)
Financial performance
Production, sales, performance
International transfers/redundancies
Equal opportunities
Training
Environmental issues

8.6 Is there a provision to call extraordinary meetings? Yes/No

8.7 Where is it, and how is it exercised, and by whom?

8.8 How are they often been called and why? ________________________

8.9 Is there a select committee? Yes/No

8.10 Who is on it?

8.11 What does it do?

8.12 How often does it meet? Where? For how long?
Frequency _________________________
Venue ____________________________
8.13 How effective is it?

9.0 Feedback

9.1 How do UK representative feedback? a) To constituents, b) To trade unions

9.2 How much time off with or without pay do representatives have for meetings and feedback? Is there a formal agreement?

Formal agreement

9.3 How does management feedback to employees?

9.4 What problems and opportunities has feedback presented?

10.0 Number of Representatives

10.1 How many representatives are there and who do they represent?
11.0 Control of Meeting

11.1 Who chairs the EWC? Who is deputy? Does rotate? Who is Union Chair?

Deputy
Rotation Yes/No
Union Chair

11.2 Which management representatives attend?

---

12.0 Training

12.1 How much training is provided for representatives, by whom and what does it cover?
Possible answers-how much?

None
2 days at start
1 day per year

Possible answers-by whom?

Provided by union
Provided by TUC
Joint union/Company
Provided by company

Possible issues?

Team working
Languages
Financial analysis
Problem solving
Business simulation

13.0 Confidentiality

13.1 Are representatives bound in any way by confidentiality agreements, if so how?

Possible answers

It’s in the agreement
It’s a condition of election/appointment
Those items specifically identified are confidential
Breaches are regarded as a reason for disbarment/gross misconduct

14.0 Legal Basis

14.1 Upon which country’s law is it based/subject?

14.2 If non UK are you going to repatriate the agreement?
15.0 Overall Objectives

15.1 What is the purpose of the EWC?

Possible answers

- Information and consultation
- Giving opinions/comments
- Making recommendations
- Negotiations
- Other

16.0 SWOT Analysis of EWCs

16.1 a) SWOT analysis EWCs for Management

Strengths

Possible answers:
- Symbolic value-annual formality
- Key employees can be influenced by management who can put their views across.
- Senior management can listen to key employees
- It gives senior management an incite into union thinking/perspectives unfiltered by other level of management
- It is a valued exchange of views both formally and informally
It is a useful venue to reach framework agreement that can then be adopted for each unit/site.
Helpful with benchmarking
It helps facilitate change as some discussion takes place of strategic issues.
It builds and develops existing relations
Adds value by enhancing productivity through employee involvement
Enhances a corporate culture at EU level

Weaknesses

Possible answers:
It has been kept to an annual ritual, no more than a procedure to be discharged.
Loss of time
Cost
Bureaucracy
Duplication of employee relations at other levels
The diverse and changing nature of the business is such that it is unhelpful
An unnecessary layer is added to employee relations
Delays and distracts from the management of change
Introduces rigidity when flexibility is required.
The networking by employees from different business is unhelpful
The networking by employees from different parts of the same business is unhelpful
Representatives have unrealistic expectations of what can be achieved
Feedback problems/issues
Friction local/national representatives and EU level representatives
Confidentiality problems
Raises unrealistic expectations among employees
Lack of sector/business focus to make it more meaningful
Opportunities

Possible answers,
It can develop into a useful institution that is part of the fabric of employee relations.
It can evolve and develop as relationships mature
Creates a EU strategic HRM approach.
With the Euro there is likely to move towards closer EU business integration so a
venue to discuss EU wide issues will be important
It can create a more global perspective
It will add value to the business.
Fosters co-ordination of EU operations
Develop partnership

Threats
Possible areas of discussion:
- Damaging effect of TU networking. Unable to use coercive comparisons
- Fear of pressures to harmonise pay and conditions in diverse operations
- Fear of push for company wide collective bargaining for UK
- Fear of push for EU collective bargaining
- Unwelcome involvement of EU TU Feds.
- Plant managers feel left out of the loop between representatives and senior management
- Other

16.2 SWOT Analysis for Trade Unions

Strength

Possible answers:
- Networking
- Access to information
- Ability to push for general framework agreements
- Ability to push for best practice across company
- Raise standards
- Influence key Directors when usually only see Plant Manager
- Ability to understand big picture issues

Weaknesses
Possible answers:
Not knowing what information to ask for and what is available
Prisoner’s dilemma
Limited ability feedback
Only information and consultation
Inter union conflict UK
Friction local/national representatives and EU level representatives
Inter union conflict at EWC level
Difficulty in co-ordinating representatives
Conflicts of interest between representatives over issues
Only meet once a year- not enough to develop relationships
TU side too fragmented/diverse to operate as a team
Conflict of interest between representatives
Absence of requirement in Directive on adaptation of EWC to changes in the structure of the business
Absence of clarification on timing of information and consultation in relation in relation to decisions being taken
Lack of training for SNB/EWC as a right
Missing link at national level for UK companies
Poor flow of information to/from plants/national level to EWC
Poor feedback facilities
Seen as very remote by members
Seen as a “jolly”- meet people and travel

Opportunities
Possible answers:
Raise profile of the TU/FTO
Increased membership/recognition/spheres of influence
Push for company/national collective bargaining
Try to push for negotiation at EWC
Set a platform of minimum standards
Try to stop social dumping and a downward spiral on wages
Expose coercive comparisons by management through networking
Develop partnership

Threats

Inter union conflict in UK
International inter union conflict
Manipulation by TUs in country with company HQ
Manipulation by trade unions from dominant country
Constant changes to the structure of the business through sales/acquisitions- absence requirement to adapt EWC
Poor timing of communication of structural change
Constant turnover of representatives
Poor communication/co-ordination between representatives
Inability to manage conflict between representatives
Negative management attitudes
Inability to understand/use information provided

**17.0 Areas of Competence**

17.1 Which of the following apply to the EWC? (Tick)
- Information
- Consultation
- Involvement
- Negotiation
- Participation
- Something else

17.2 On what issues has the EWC reached agreement? When? How?

17.3 What are the EWCs areas of competence?

Possible answers

- Economic/financial
- Employment/social
- Business production/sales
- Investment
- New working methods/technology
- Restructuring
- Transfers/mergers/redundancy/closure
- Health and safety
- Environment
- Training
- Equal Opportunities
- Other
17.4 Why were those issues the property of the EWC?

17.5 What impact has the EWC had on employee relations?

Possible answers include:

- Increased understanding of company/EU wide issues
- Reduced understanding of local/national issues
- Another tier that provides an overview for information and consultation
- Fits in well with the EU statutory approach by applying another tier
- Opens up a big gap between UK plants and the international scene
- Something to "mind the gap"
- Formal fostering of partnership/co-operation in business decisions
- Informal fostering of partnership/co-operation on a social level
- Improved communication
- More pressure to supply information
- EU framework agreement
- Consultation is moving to negotiation at EWC on framework agreements
- Improved motivation
Helps management of change
Development of best practice models
Wider understanding of management processes
Identification with company vision/mission
European aspect to management frameworks
Stimulation of a strategic European HRM approach
An evolving institution that is a valued aspect of employee relations
Creates problems in keeping plant bargaining isolated other of units due to trade union networking.
Fear of impact of trade union co-operation/co-ordination at EWC and impact on unit or national bargaining
Creates problems when citing comparisons with the performance of other plants (coercive comparisons), due to trade union networking.
Undermines the local manager.
EWC representatives can have more strategic knowledge than unit managers
No change – it’s an annual formality

17.6 Why has the EWC had no real impact?

Possible answers include:

Too remote from day to working life
UK basically anti EU
Union interests are more important than international interests
National interests predominate
Management can play national interest against national interest
Language/translation problems
Not meet often enough
Select committee not active enough
Framework agreements only slowly feed through and get watered down in process
It is only information and consultation and no substitute for collective bargaining.
Too soon to tell

17.7 Briefly describe what discussed at the last EWC meeting and what was achieved
17.8 What impact do you think the EWCs will have on UK employee relations in general?

Possible answers:
- Creating more democratic forms of employee relations
- Providing representation for non-unionized employees
- Increasing the role of trade unions
- Increasing the trend towards partnership
- Raising expectations about openness and access to information

17.9 The Hoover “social dumping” case helped stimulate the EWCD and the Renault, Vilvoorde closure in part stimulated the draft Information and Consultation Directive. More recently the Rover/BMW and GM issues have indicated that EWCs do not always have the key role in trans-European consultation that was envisaged. It is anticipated that in the future, domestic works councils will be introduced, with at least some further obligation to consult. Do you think that the co-ordination achieved by representatives at the EWC, will create the potential for an innovation in the form of company level consultation, that may evolve into company level negotiation? Do you think that the EWC will start to reach framework agreements?

17.10 If enough framework agreements occur at EWCs in the same sector, will comparisons be made and will sector norms evolve? What about radical developments like EU sector level bargaining? Maybe the “Doorn Group” and initiatives by European Metalworkers Federation are pushing events in that direction.
17.11 What impact has the EWC had on employee relation for you?


Union announcements
Any other promotional material

19.0 Issues to Follow Up

END TIME

THANK YOU
Appendix 4  Semi Structure Interview Schedule-European Works Councils, 2004

Impact of EWCs on British Industrial Relations

Follow up questions from interviews conducted in the Spring of 2001
Longitudinal Study

Name..............................................................
Position/Role.............................................................
Date..............................................................
Venue......................................................................
Starting Time..........................Finishing Time..................

Thank you for seeing me once again

1) What has happened to the EWC since last we met in Spring, 2001?

2) How are union employees consulted about the next forum (EWC) meetings?

3) How are union reps/managers consulted about pending forum (EWC) meetings?
4) How is feedback from forums (EWCs) given to union reps/managers?

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5) How is feedback from forums (EWCs) given to employees in general?

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6) How would you assess the level of knowledge and interest amongst employees/trade union reps/managers?
   Employees .................................................................
   ......................................................................................
   ......................................................................................

   Managers .................................................................
   ......................................................................................
   ......................................................................................

   Trade union reps ....................................................
   ......................................................................................
   ......................................................................................

7) How much enthusiasm/competition is there for a role with the forum?
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   ......................................................................................
   ......................................................................................
   ......................................................................................
   ......................................................................................
   ......................................................................................
8) What impact have forums had on plant joint consultative committees/collective bargaining/policies and procedures?
   Joint Consultation
   Collective Bargaining.
   Policy/Procedures*

   - Ask for copy any framework agreements

9) Why do you think they have had that level of impact?

10) How are company decisions influenced by the forum?
11) What would you say are the concrete outcomes for British employees and British employee relations in your company?

Employees


Employee Relations


UK employee relations in general


12) What impact do you see developing over time?


13 Updating facts

13.1a) Renegotiations/New agreement b)“Repatriation” to English and Welsh law c) Inclusion of more member states?

a) Initiative


...Process


...Outcomes


Ask for copies where possible
   New agreement/New UK Constituencies/New EU wide membership

   List of current members of forum

   List of current members sub committees

   List of venues/dates of meetings since last interview

   Copy most recent agenda

   Trade union membership/density- see next page

   Anything else to add?

THANK YOU
## UK Trade Union Membership

<table>
<thead>
<tr>
<th>Plant/office</th>
<th>Amicus (AEEU)</th>
<th>Amicus (MSF)</th>
<th>GMB</th>
<th>T&amp;GWU</th>
<th>Other Union e.g KFAT</th>
<th>Non Union</th>
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Appendix 5  Semi Structure Interview Schedule-European Works Councils, Questions for Managers not Involved Directly, 2004

European Works Council Forums- Questions for Managers not Directly Involved with the Forum

Thank you for helping

In which Department are you a manager? .....................................................................
What level of manager would you consider yourself to be? Senior/Middle/First Level

1) Role

What do you understand to be the role of the European Forum?
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2) Representation

Who is on the European Forum?
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When approximately was it set up?
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Have you been involved in any way with the selection of someone to attend the European Forum and if so how?
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3) Issues

Are you aware of any issues the European Forum has discussed and if so what are they? (Can you mention something it has dealt with recently?)

What issue or group of issues you would like to see the European Forum consider?

What issues do you foresee being discussed in the next two years?

4) Feedback

What feedback have you received about the European Forum and from what source?

Are you aware of any opportunities or problems that have been presented by the European Forum?

5) Impact

What do you feel has been the impact of the European Forum on employee relations in the part of the company in which you work?
Do you feel the European Forum has power/influence?

(If appropriate) Why do you feel the European Forum has had so little impact?

6) Potential

What do you think could be done to improve the usefulness of the European Forum?

What could be done to improve appreciation and knowledge of the activities of the European Forum?

7 Any other issues you would like to tell me about?

Thank you
Thank you for helping

Of which union are you a member? .................................................................
Are you a representative? Yes/No

1) Role

What do you understand to be the role of the European Forum?
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2) Representation

Who is on the European Forum?
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6) Potential

What do you think could be done to improve the usefulness of the European Forum?
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What could be done to improve appreciation and knowledge of the activities of the European Forum?
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7) Any other issues you would like to tell me about?
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Thank you
## Appendix 7 Principles and Objectives

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>Information</th>
<th>Consultation</th>
<th>Exchange Views</th>
<th>International Issues</th>
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<tbody>
<tr>
<td><strong>Tasty Food</strong></td>
<td>Section 6, Para. 1.</td>
<td>Section 6, Para. 1.</td>
<td>Preamble (C)</td>
<td>Section 1, Para. 6.</td>
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</table>
| **Precision Instruments** | Section 1, Para. 1.2  
Section 2, Para. 2.2 | Section 2, Para. 2.2 | Section 1, Para. 1.2 | Section 1, Para. 1.2 |
| **Insulation** | Section 1, Para. 1.1  
Section 1, Para. 1.2  
"Views"  
S1, 1.2. | Section 1, Para. 1.1  
S1, 1.2. | S1, 1.1  
S1, 1.2 | S1, 1.1  
S1, 1.2 |
| **Opaque Glass** | Preamble Section III 1 (a)  
* | * | * | Preamble |
| **Sunshine Textiles** | Intro. Article 1 (1)  
"mutual understanding and trust"  
Article 1 (2)  
Article 1 (1)  
"engage in dialogue"  
S3, P3.2 | Intro. Article 1 (1)  
"mutual understanding and trust"  
Article 1 (2) | Article 1 (1)  
Article 2 (2) | |
| **Bright Lights** | Section 1, Para. 1.1 | Section 1, Para. 1.1 | "engage in dialogue"  
S3, P3.2 | |
| **EWCD,(1994), Article 1 (1).** | All refer to each except Opaque Glass  
Opaque Glass-*  
no reference to consultation. | Opaque Glass-*  
no reference to consultation. | - | - |
<table>
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<tr>
<th>BUSINESS</th>
<th>TERMS OF REFERENCE</th>
<th>EXCLUDED ITEMS</th>
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<tr>
<td>Tasty Food</td>
<td>Preamble (b)</td>
<td>Preamble (d)</td>
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<td>&quot;...the goal of the legislation is to inform European employees of company policy in a broad sense and to consult them on policy and its influence on European employees.&quot;</td>
<td>“This agreement does not infringe on, but does supplement, rights and responsibilities that result from the national employee participation structures.”</td>
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<td>Section 6, Para. 2</td>
<td>Section 6, Para. 4</td>
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<td>&quot;...economic and financial situation, the anticipated development of the business and of production and sales, the situation and anticipated trend of employment, with reference also to equal opportunities, investment and substantial changes concerning organisation and the introduction of new working methods and production processes, including appropriate training for the employees concerned, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, collective redundancies, and health and safety standards.”</td>
<td>“The EWC does not infringe on, but is a supplement to, the rights and duties of existing national trade union organisations and existing company based employee representative structures.”</td>
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<tr>
<td>Precision</td>
<td>Section 2, Para. 2.1</td>
<td>Section 1, Para 1.3</td>
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<td>Instruments</td>
<td>&quot;...structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies in so far as these activities relate to the Company’s European operations as a whole or involve Company operations in at least two (2) different countries within the scope of this agreement.”</td>
<td>“...recognise that the primary mechanisms for information and consultation shall operate now and in the future through local employee’s representation systems and structures already established and that these mechanisms shall remain solely competent to consider issues that are the subject of collective bargaining or negotiation.”</td>
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<tr>
<td><strong>Insulation</strong></td>
<td><strong>Section 1, Para. 1.3</strong>&lt;br&gt;“…structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies. In addition, health, safety and environmental issues of a pan European nature may be discussed.”</td>
<td><strong>Section 1, Para 1.2</strong>&lt;br&gt;“…the Forum will not involve itself in matters that are the prerogative of national or local negotiating or consultative processes. Issues concerning an individual business unit or single country will continue to be dealt with within existing structures and procedures.”</td>
</tr>
<tr>
<td><strong>Opaque Glass</strong></td>
<td><strong>Section III, 1(b)</strong>&lt;br&gt;“(i) European economic background and conditions…&lt;br&gt;(ii) European level financial results…&lt;br&gt;(iii) Significant structural changes in the organisation…&lt;br&gt;(iv) Significant development in the production processes ….&lt;br&gt;(v) European environmental questions…&lt;br&gt;(vi) … Development of the employment situation in the … including any changes in the organisation, the introduction of new working and production processes, the relocation of production, mergers, downsizing, company closures, plant closures, closure of important parts of plants and mass dismissals;&lt;br&gt;(vii) European capital policy; and&lt;br&gt;(viii) European health and safety matters.” &lt;br&gt;<strong>Para 2- Other matters with agreement.”</strong></td>
<td><strong>Section III 1 (a)</strong>&lt;br&gt;“The competence of the XXXX European Forum will be limited to an exchange of information and views on matters which either affect the (Company) as a whole or affect at least two companies, which constitute (Company) and which are located in more than one country.”</td>
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<tr>
<td><strong>Sunshine Textiles</strong></td>
<td><strong>Article 2 (3)</strong>&lt;br&gt;“the economic and financial situation&lt;br&gt;- the development of the”</td>
<td><strong>Article 2</strong>&lt;br&gt;“(3)The (Name) is not intended to, and does not, have competence for”</td>
</tr>
<tr>
<td>Business and production (including the transfer of production) and sales</td>
<td>Compensation, salary and benefits.</td>
<td></td>
</tr>
<tr>
<td>The situation and future development of the employment</td>
<td>(4) The (Name) shall not be involved in any issues that relate only to a single country or are dealt with at national and/or local level.</td>
<td></td>
</tr>
<tr>
<td>- organisation and its fundamental changes</td>
<td>(5) This Agreement shall not be deemed to change or supersede any of the provisions of collective agreements and/or any agreements with regard to local information or consultative procedures involving the (Name) Group and employees or their representative bodies thereof.</td>
<td></td>
</tr>
<tr>
<td>- investment projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>safety and environment”</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Bright Lights**

| Section 3, Para 3.2. | Section 3, Para 3.3 |
| "....structure, economic and financial situation, the probable development of the business, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, collective redundancies and European health and safety issues." | "The (Forum) neither replaces, nor duplicates, nor supersedes in any way existing procedures for informing and consulting employees and/or their representatives at other appropriate levels in (Name) European operations." |

**Summary**

<p>| All 6 broadly similar. 1) Tasty Food- Section 6, Para.2 Adds to Directive “...approved. trg.” “...and health and safety standards”. 2) Precision Instruments Adds to Directive “... in so far these activities relate to the Company’s European operations as a whole or involve Company operations in at least two (2) different countries within the scope of this agreement.” 3) Insulation Adds to Directive | 4) Opaque Glass Section 3, (b) Covers the same ground as the Directive. Using slightly different words in places. Adds European environmental questions. European capital policy and European health and safety matters. Para. 2 Other matters with agreement. 5) Sunshine Textiles Article 2, (3) Adds to the Directive. |</p>
<table>
<thead>
<tr>
<th>Section 1, Para. 1.3</th>
<th>“In addition, health, safety and environmental issues of a pan European nature may be discussed.” Continues in column on right.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EWCD, (1994)</td>
<td>&quot;…structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies.”</td>
</tr>
<tr>
<td>6) Bright Lights</td>
<td>Section 3, Para. 3.2 Adds to Directive “…..and European health and safety issues.”</td>
</tr>
</tbody>
</table>
## Appendix 9 Legal Basis of Agreement

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>LEGAL BASIS</th>
<th>&quot;REPATRIATION&quot; PLANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty Food</td>
<td>Section 13, Status and Interpretation, Para. 1- Italian Legislation</td>
<td>No</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>Section 15, Para. 15.1- English common law and French adoption of Directive.</td>
<td>When co. had a European HQ, it was in France. No plans &quot;repatriate&quot;.</td>
</tr>
<tr>
<td>Insulation</td>
<td>Section 11, Representative Agent, Belgian law.</td>
<td>No</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>Interviewees stated German law; that is consistent with what is known of the origins of agreement. Unable to locate reference to law in agreement. Jurisdiction not expressly stated. Section IX, Miscellaneous, Para 2, English language version used to resolve ambiguity.</td>
<td>No</td>
</tr>
<tr>
<td>Revised -22/06/01, Article 14, Governing Law- English and Welsh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bright Lights</td>
<td>Section 8, Legal Basis for Agreement. Paragraphs 8.1-8.5. Governed and construed by laws of The Netherlands due to Dutch grandparent. Option to repatriate to UK law.</td>
<td>As negotiations were in Belgium, representatives believe should have been covered by Belgian not Dutch law. No plans by mgmt to &quot;repatriate&quot;.</td>
</tr>
<tr>
<td>EWCD,(1994), Article 3, Paras. 6 &amp; 7.</td>
<td>Law of member state that controls undertaking, or if not possible where most employees. Conflict see para. 2 re dominant interest.</td>
<td>Summary:- 5- no plans to change. 1 has done so.</td>
</tr>
</tbody>
</table>
## Appendix 10 Negotiations and Initiatives in Establishing a Voluntary Forum

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>DRIVING FORCES</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food, A6</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Precision Instruments, Agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Brussels. ??/09/96.</td>
<td>a) MANAGEMENT Vice Pres HR Europe, Employee Relations Legal Counsel, USA, Employer’s Expert.</td>
<td>Company initiative. A13 agreement but established through a body called an SNB. Most of the agreement was reached between mgmt and an Amicus (AEEU) FTO, in Jan/Feb 1996. Positive mgmt input. The SNB met in Dublin for two days in ??/04/96. Co. approached TUs. as did not want compulsion. Mgmt and TU wished to meet A13 deadline. Representatives for each country were elected to A13, SNB and then separate elections were held for a Council.</td>
</tr>
<tr>
<td>2) Pamplona, Spain, ??/04/01.</td>
<td>b) TRADE UNION TU Fed, EMF, IG Metall and AEEU.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c) RENEGOTIATION Employee Relations Legal Counsel, USA and HR Director with Co-ordinating Committee. Cosmetic changes.</td>
<td></td>
</tr>
<tr>
<td><strong>Insulation Agreements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Brussels. 16/09/96.</td>
<td>a) MANAGEMENT Two divisional HR Directors - Building Materials and Composites. Pushed by CEO and HRD.</td>
<td>Joint approach. Senior Mgmt Group contacted FTOs who were experienced with forums. Company initiative that was well received. Company did not want compulsion. Negotiations mainly between lay officials and company.</td>
</tr>
<tr>
<td>2) Revised Vis’e, Belgium ??/11/00, retrospectively from 01/10/00.</td>
<td>b) TU FTOs Amicus (AEEU) and GMB initial meeting only. EU Fed not involved.</td>
<td></td>
</tr>
<tr>
<td>Endorsed at UK Employee Involvement Forum ??/12/00. Closed 9/2002</td>
<td>c) RENEGOTIATION Should have happened after 3 years 10/99. In fact did not occur until joint venture established. No FTOs/ EU Fed. involved.</td>
<td></td>
</tr>
<tr>
<td><strong>Opaque Glass Agreements</strong>, Brussels,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) 11/09/95.</td>
<td>a) MANAGEMENT Group HR Director and other Directors.</td>
<td>German TU initiative to which management were receptive. 3 Germans FTOs/WC reps. initially approached the company. Management wished to respond to pending legislation.</td>
</tr>
<tr>
<td>2) 30/09/03</td>
<td>b) TRADE UNIONS Led by German TUs, Leader Central Works Council and FTOs who were experienced in domestic works councils. IG BCE, FTO was involved. He acted for European Federation of Chemical and Allied Workers. Quickly supported UK TUs, especially a GMB FTO. Negotiations started Summer 1995 and moved forward</td>
<td></td>
</tr>
<tr>
<td><strong>Sunshine Textiles</strong></td>
<td><strong>Bright Lights</strong></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Agreements</td>
<td>A6</td>
<td></td>
</tr>
<tr>
<td>2) Chester, 22/06/01.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR Director UK backed by a large team in Japan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) TRADE UNION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amicus (MSF), FTO in particular also KFAT and GMB FTOs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) RENEGOTIATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint approach to a tidying up exercise.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR Director UK backed by a large team in Japan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) TRADE UNION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amicus (MSF), FTO in particular also KFAT and GMB FTOs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) RENEGOTIATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Review Group of mgmt. and TU. - 1 rep Italy, 2 reps. France (including Employee Co-ordinator), 1 rep. UK (KFAT), 1 Mgmt. Italy, 1 Mgmt. Finance/Liaison with Japan, UK HR Dir- Total 8 (Also 1 FTO each country had right to attend.)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgmt. driven from Japan. Keen to observe the law. Wanted to have a voluntary agreement. With initial agreement negotiations took 18 months. Negotiations took place in each country with representatives. Lot of preparatory work and mutual commitment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 11 Special Negotiating Body, Compulsory Route.

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>SNB</th>
<th>MEETINGS/COMMENTS</th>
<th>MEMBERS SNB</th>
<th>ELECTED/APPOINTED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food Agreements</strong></td>
<td></td>
<td>a) MANAGEMENT&lt;br&gt;Senior HR. staff once co. embraced the idea 1996/7. Director HR &amp; HRM, Northern Europe substantially involved.&lt;br&gt;b) TRADE UNION&lt;br&gt;Euro ECF-IUF TU initiative; Rome conference, 1993. Pushed by UK TUs after Directive, (1994). In 1998-99 there was a Steering Team of mostly UK &amp; It. TUs. Met 6 times in 2 years. Meetings Amsterdam Barcelona &amp; Lisbon. 2003&lt;br&gt;Met 6 times in 8-9 months. Involvement EFFAT. Agreement Amsterdam</td>
<td>T&amp;GWU, Amicus (MSF) FTOs. Dep. Gen. Sec. ECF-IUF EU Fed. . Marcello Ries a TU Expert. One rep for each country. UK-TGWU and Amicus (MSF).</td>
<td>FTOs with experience took the initiative to get involved. OTHER COUNTRIES Other SNB members were nominated by works councils/trade unions.</td>
</tr>
<tr>
<td><strong>Precision Instruments Conglomerate Agreements</strong></td>
<td>A13 N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Brussels ??/09/96</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Pamplona, Spain ??/04/01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insulation Agreements</strong></td>
<td>A13 N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Brussels 16/09/96</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Vis’e, Belgium ??/11/0 retrospectively effective from 01/10/00.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opaque Glass Agreements</strong></td>
<td>A13 N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brussels</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunshine Textiles Agreements</td>
<td>A13 N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Paris 16/09/96, 2) Chester 22/06/01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bright Lights Agreement Brussels 13/05/99</th>
<th>A6 Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>-a) MANAGEMENT Director of Corporate HR</td>
<td></td>
</tr>
<tr>
<td>-b) NON-UNION</td>
<td></td>
</tr>
<tr>
<td>Five out 23 plants in Germany have works councils and union members. The rest do not as staff have not asked for them.</td>
<td></td>
</tr>
<tr>
<td>SNB met 11/97-2 days, 3/98-1.5 days. 18-19/01/99 completed agreement and training. Signed 12-13/05/99. SNB met Elewijt Centre, Brussels.</td>
<td></td>
</tr>
<tr>
<td>-Sen. V Pres. S. Europe</td>
<td></td>
</tr>
<tr>
<td>-General Counsel</td>
<td></td>
</tr>
<tr>
<td>-Director Corp HR</td>
<td></td>
</tr>
<tr>
<td>-Corp HR Mgr.</td>
<td></td>
</tr>
<tr>
<td>-Admin HR Corp. Mgmt Expert (Consultant)</td>
<td></td>
</tr>
<tr>
<td>-Reps Expert</td>
<td></td>
</tr>
<tr>
<td>2 reps Germ.</td>
<td></td>
</tr>
<tr>
<td>3 reps UK.</td>
<td></td>
</tr>
<tr>
<td>1 rep Austria.</td>
<td></td>
</tr>
<tr>
<td>2 reps Spain.</td>
<td></td>
</tr>
<tr>
<td>1 Ireland</td>
<td></td>
</tr>
<tr>
<td>UK representatives were elected by UK wide constituency for SNB OTHER COUNTRIES Union reps came forward. (German and Austria- also happened to be local and national works council members as well as union reps.)</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 12 Number of Scheduled Meetings per Annum

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>TITLE</th>
<th>REQUIRED NUMBER MEETINGS PER ANNUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty Food</td>
<td>Joint European Forum</td>
<td>1- Section 5, Para. 1</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>European Council</td>
<td>1-Para. 7.1</td>
</tr>
<tr>
<td>Insulation</td>
<td>European Information Forum</td>
<td>1- Section 5, Para. 5.1</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>European Forum</td>
<td>1-Section V, Para. 1 (a)</td>
</tr>
<tr>
<td></td>
<td>2 Sub Groups</td>
<td>2 meetings each. Section V, Para 4 (2003 agreement)</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>European Communications Forum</td>
<td>1-Article 4, Para. 1</td>
</tr>
<tr>
<td>Bright Lights</td>
<td>European Forum</td>
<td>1- Section B, Para. 5.5</td>
</tr>
<tr>
<td>EWCD,(1994), Aricle 6, Para. 2 (d), Annex Para. 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUSINESS</td>
<td>ARTICLE</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
<td></td>
</tr>
</tbody>
</table>
| **Tasty Food** | **Section 8,**  
Para. 1, VP or nominee will inform Steering Bureau—especially re closure, collective redundancies and mergers.  
Para. 2, Steering Bureau meeting— it can request forum meeting.  
Para. 3, Forum to happen before national level negotiations are finalised. Meeting not binding on central management. |
| **Precision Instruments** | **Section 9,**  
Para. 9.1 Co-ordinating Committee informed of exceptional circumstances.  
Para. 9.2 Council Co-ordinator (Mgmt) or Co-ordinating Committee can request extraordinary meeting e.g. relocation, closure, or collective redundancies.  
Para. 9.3 Extraordinary meeting attended by Senior Executive, Council Co-ordinator, nominated Executives, co-ordinating committee, employee reps and an expert.  
Para. 9.4 Subject to Appendix A.  
Appendix A – Sets arrangements for relocations/ closures, other rights in between forums unaffected. |
| **Insulation** | **Section 5,** Para. 5.6.  
Exceptional circumstances, agreement Chair and Administrative Advisory Committee. |
| **Opaque Glass** | **Section V,**  
Para. 1 (a).  
Agreement Mgmt. Chair and TU Deputy Chair. |
| **Sunshine Textiles** | **Article 4,**  
Para. 10.  
Chief Representative (Mgmt.) in conjunction with Forum Committee |
| **Bright Lights.** | **Section 5, B,**  
Para. 5.7.  
Decision to hold extraordinary meeting – co. mgmt. and representatives Chair and Sec. |
| **EWCD, (1994), Annex Para. 3** | **---------** |
## Appendix 14 Terms of Office/Eligibility for Appointment/Smoothing Arrangements

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>TERMS OF OFFICE</th>
<th>CRITERIA</th>
</tr>
</thead>
</table>
| **Tasty Food**     | 4 years. Section 3, Para. 5. | Section 3, Para. 5.  
2 years service.  
Substitution arrangements.  
(also Para. 9.)  
Stand down-termination.  
Para. 6- Acquisition of a co. with EWC.  
No smoothing arrangements. |
| **Precision Instruments** | 4 years- may be renewed for further terms. Section 4, Para. 4.6. Smoothing arrangements, only re continued membership co-ordinating committee Section 5, Para. 5.2. | Section 4, Para. 4.3.  
Substitution arrangements Para. 4.4 – 2 years service or as per national law.  
Cannot be nominated if under notice. Leavers appointment terminated. |
| **Insulation**     | 3 years. Section 3, Para. 6. | Section 3, Para. 2. 1 year’s service. Para. 6. An employee due to retire would be eligible for re-appointment. No smoothing arrangements. |
| **Opaque Glass**   | 4 years. Section II, Para. c. | Section II, Para. (c). Initial smoothing arrangements.  
An employee due to retire will be eligible for reappointment.  
Para. (d)- Leavers cease to hold office. Office holders would not be affected by a change in the size of the company until the end of the period of office.  
1-Two representatives Poland-smoothing: One 4yrs, other 2 yrs. |
| **Sunshine Textiles** | 2 yrs. Article 3, Para. 2 (b). Expires at end of second ordinary meeting. May apply for re-election. Revised agreement, 22/06/01, Article 4, C (A) -5 yrs. | Article 3, Para. 2 (b).  
Eligible for re-election or appointment. Leavers replaced by an appointed or elected person. No smoothing arrangements. |
<p>| <strong>Bright Lights</strong>  | 4 years unless national | Section 4, Para. 4.4. |</p>
<table>
<thead>
<tr>
<th>Information and consultation processes say otherwise. Article 5, Para. 5.1.</th>
<th>1 years service. Para 4.5 Substitution arrangements (and 5.3). Section 5, Para. 5.2 Leavers cease to hold office. No smoothing arrangements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMMARY</td>
<td>1 Business 3 years 4 Businesses 4 years 1 Business 5 years</td>
</tr>
<tr>
<td>EWCD, (1994), Article 6, P. 2 (b) Annex P 1 (b). Annex P 1 (e) Review 4 yrs.</td>
<td>1 Business 3 years 4 Businesses 4 years 1 Business 5 years</td>
</tr>
<tr>
<td>BUSINESS</td>
<td>COMPETITION POSTS</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tasty Food</td>
<td>Not much interest. At one site in 1999, (London, now closed), the unions could not agree on a representative and there was a vote. In 2004 unions did not reach an agreement in 2 constituencies AAA/BBB &amp; CCC so there was a vote.</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>Chair Co-ordinating Committee (union) appointed unopposed. Very little interest. Mainly union people emerged. Voting took place in only one of the original 5 constituencies. That constituency was less unionised and more fragmented. There were four candidates and votes were counted by the Electoral Reform Society.</td>
</tr>
<tr>
<td>Insulation</td>
<td>The trade unions were in competition for seats. Five sites, four unions and three seats. A rota was been devised for sites, seats and unions over a 6-9 year period.</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>Always some competition for posts. Union members elect representatives who nominate or elect forum representatives.</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>Not much competition. Regarded as “a poisoned chalice”.</td>
</tr>
<tr>
<td>Bright Lights (Non - unionised)</td>
<td>Austria, Germany, Italy and Spain elected representatives from works council. (Could be members of non recognised union.) UK elected members - £1,000 cost, with use of Electoral Reform Society.</td>
</tr>
</tbody>
</table>
## Appendix 16 Non-Union Representation

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>NON-UNION REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food</strong></td>
<td>1 Shropshire, 1 London. If more than one candidate applied, an election procedure would have been used. Section 3, Para. 2, refers to election or appointment.</td>
</tr>
<tr>
<td><strong>Precision Instruments</strong></td>
<td>None. Section 4, Para. 4.5. refers to election or selection.</td>
</tr>
<tr>
<td><strong>Insulation</strong></td>
<td>1 Non-unionised Italy. Unionised delegate represented non-unionised UK site, due to use of rota. Section A (3) refers to appointment or election.</td>
</tr>
<tr>
<td><strong>Opaque Glass</strong></td>
<td>None. Section II, Para. 2 (a) refers to appointment, nomination or election.</td>
</tr>
<tr>
<td><strong>Sunshine Textiles</strong></td>
<td>None. Article 3, Para. 1 (b), refers to use of national practice.</td>
</tr>
<tr>
<td><strong>Bright Lights</strong></td>
<td>3 UK Reps. UK wide constituencies. 1 Italy-a manager. Para. 4.4 Elected or appointed.</td>
</tr>
</tbody>
</table>

**Summary**

3 Forums have non-union representation.
### Appendix 17 Composition of EWC/Method of Selecting Representatives

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>DELEGATES BY COUNTRY</th>
<th>UK</th>
<th>METHOD OF SELECTION</th>
<th>TOTAL NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food</strong></td>
<td>A scale is set out in Section 3, Para. 1, i.e. 1 seat per 500. Min. 50 -1 Belgium -1 France, -1 Germany, -1 Greece, -1 Ireland, -3 Italy, -4 Netherlands, -2 Portugal, -1 Spain, -9 UK. Plus-2 for purchased UK firm = 11 -1 EFFAT, FTO 01/05/04 -1 The Czech Rep. -1 Hungary -1 Poland</td>
<td>1 Amicus (AEEU), North West, 2 Amicus (MSF), North West, 1 T&amp;GWU, North West, 1 Non unionised, London. 1 Non unionised, Shropshire. 1 AAA/ BBB (2004 ballot GMB and Amicus) 1 CCC (2004 ballot T&amp;GWU and GMB) 2 for purchased firm 1 DDD-rep not appointed at time of research.</td>
<td>UK: 1) North west- Each of three unions nominated a representative. 2) Cumbria-Agreement reached between three unions, Amicus (AEEU), Amicus (MSF), T&amp;GWU, that Amicus (MSF) should have post. 3) Non-unionised London and Shropshire- If more than one candidate had stood there would have been an election. 4) In other areas elections took place between unions candidates. 5) Other Countries- Elected or appointed in accordance with local practice. Section 2, Para. 2.</td>
<td>29 representatives 1 FTO, 30 in total.</td>
</tr>
<tr>
<td><strong>EEA only</strong></td>
<td>Note AEEU &amp; MSF merged to form Amicus, branch merger to start 2004.</td>
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</tr>
<tr>
<td><strong>Precision</strong></td>
<td>Sliding scale for <em>UK</em></td>
<td>UK</td>
<td>UK:- When SNB</td>
<td>16 plus</td>
</tr>
<tr>
<td><strong>Instruments</strong></td>
<td></td>
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</tr>
</tbody>
</table>

- **BUSINESS**
- **DELEGATES BY COUNTRY**
- **UK**
- **METHOD OF SELECTION**
- **TOTAL NUMBER**
<p>| <strong>EEA only</strong> The Czech Rep. observer - given full status 01/05/04. | representation, e.g. 50 to 1,000 = 1 seat, 5, 501 + = 5 seats. Article 4, Para 4.1. -1 Belgium, -1 Denmark, -1 France, -2 Germany, -1 Ireland, -1 Italy, -1 Netherlands, -2 Spain, -2 UK, -1 FTO-Amicus (AEEU) 01/05/04 - The Czech Rep-full status -1 Estonia -1 Hungary -1 Slovenia (AEEU), 2 sites North West. Amicus (AEEU), - Locks firm near Walsall. Changed after closure of north west sites 12/02 &amp; 11/03. <strong>2003/4</strong> Two new UK reps. both convenors - EEE Group-Darlington (now sold so more change) -Safety Equipment and Security Division – B’ham/Wall was set up, there were 5 not 2 constituencies. Union nomination of elected representatives in four constituencies. In a 5th an election took place. Outcome from 5 constituencies 3 Shop Stewards and 2 union members. Other countries Elected or appointed by local practice. Article 4, para 4.5. | 1 FTO = 17 |
| <strong>Insulation</strong> EEA only. No facility for Swiss.  | Seats pro rata to percentage of workforce, with minimum of 50 employees. Appendix 2, actual number Para 3.2 (4). -2 Belgium -1 Italy -3 UK No FTOs 1 Amicus (AEEU), North West 1 GMB, S. Wales. 1 Amicus (MSF), N. Wales. 5 UK sites with 4 unions and 3 seats. UK Nominated representatives, already selected by members. There were four recognised unions. (The fourth being T&amp;GWU.) There are 5 sites. A rota was been devised, so that all sites/unions (including non-unionised north east), would be involved over a 6-9 year | 6 |</p>
<table>
<thead>
<tr>
<th>Opaque Glass</th>
<th>A sliding scale is given in Appendix 2. e.g. 150 = 1 seat, 5,000 = 4 seats. The seat allocation is in II (b).</th>
<th>1 GMB Automotive, North West. 1 T&amp;GWU, Automotive, Birmingham. 1 Amicus (AEEU), Building Products, North West. 1 Amicus (MSF), Building Products, North. Impact of AEEU/MSF Merger to be resolved 2004/5.</th>
<th>24 plus 2 FTOs = 26.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEA Only</td>
<td></td>
<td>UK Amicus (AEEU), GMB, T&amp;GWU- Elected shop stewards are nominated as representatives. Amicus (MSF)- Branch elected the representative.</td>
<td>Other Countries:-</td>
</tr>
<tr>
<td>Poland admitted by third amendment, 11/98.</td>
<td>(One Swiss seat not taken up by reps.)</td>
<td>Other countries:-</td>
<td>Elected or appointed by local practice. e.g. Germany, nominated by Works Council Italy- 1 representative for each of three unions. Spain-elected. Sweden-elected.</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>Sliding scale of representation, e.g. 100-299 = 1 seat. Two additional seats for 300+. Less 100 staff, linked to another constituency. Article 3, para. 2 (b). -Czech, 1 Sunshine Textiles Central Europe. -France 3 Firm A, plus 2 substitutes, in lieu of FTO s, who did take part in meetings. 1 Firm B (no experts or FTO s) - Italy 3 Firm C plus 3 experts who did not, join main meeting. -Germany 1 Firm D -UK 3 Sunshine Textiles,</td>
<td>1 GMB, North West, 1 Amicus (MSF), Notts B, 1 KFAT, Notts A. 8/2002 1 GMB North West 2 Amicus Notts B 9/2004 3 Amicus Notts B</td>
<td>UK Nominated by elected union representatives. Union agreed the distribution of seats/sites.</td>
</tr>
<tr>
<td>Sunshine Textiles EEA only</td>
<td>Sliding scale of representation, e.g. 100-299 = 1 seat. Two additional seats for 300+. Less 100 staff, linked to another constituency. Article 3, para. 2 (b). -Czech, 1 Sunshine Textiles Central Europe. -France 3 Firm A, plus 2 substitutes, in lieu of FTO s, who did take part in meetings. 1 Firm B (no experts or FTO s) - Italy 3 Firm C plus 3 experts who did not, join main meeting. -Germany 1 Firm D -UK 3 Sunshine Textiles,</td>
<td>1 GMB, North West, 1 Amicus (MSF), Notts B, 1 KFAT, Notts A. 8/2002 1 GMB North West 2 Amicus Notts B 9/2004 3 Amicus Notts B</td>
<td>UK Nominated by elected union representatives. Union agreed the distribution of seats/sites.</td>
</tr>
<tr>
<td>Sunshine Textiles No Swiss reps.</td>
<td>Sliding scale of representation, e.g. 100-299 = 1 seat. Two additional seats for 300+. Less 100 staff, linked to another constituency. Article 3, para. 2 (b). -Czech, 1 Sunshine Textiles Central Europe. -France 3 Firm A, plus 2 substitutes, in lieu of FTO s, who did take part in meetings. 1 Firm B (no experts or FTO s) - Italy 3 Firm C plus 3 experts who did not, join main meeting. -Germany 1 Firm D -UK 3 Sunshine Textiles,</td>
<td>1 GMB, North West, 1 Amicus (MSF), Notts B, 1 KFAT, Notts A. 8/2002 1 GMB North West 2 Amicus Notts B 9/2004 3 Amicus Notts B</td>
<td>UK Nominated by elected union representatives. Union agreed the distribution of seats/sites.</td>
</tr>
<tr>
<td>Sunshine Textiles EEA only</td>
<td>Sliding scale of representation, e.g. 100-299 = 1 seat. Two additional seats for 300+. Less 100 staff, linked to another constituency. Article 3, para. 2 (b). -Czech, 1 Sunshine Textiles Central Europe. -France 3 Firm A, plus 2 substitutes, in lieu of FTO s, who did take part in meetings. 1 Firm B (no experts or FTO s) - Italy 3 Firm C plus 3 experts who did not, join main meeting. -Germany 1 Firm D -UK 3 Sunshine Textiles,</td>
<td>1 GMB, North West, 1 Amicus (MSF), Notts B, 1 KFAT, Notts A. 8/2002 1 GMB North West 2 Amicus Notts B 9/2004 3 Amicus Notts B</td>
<td>UK Nominated by elected union representatives. Union agreed the distribution of seats/sites.</td>
</tr>
</tbody>
</table>
| **Bright Lights**  
| Europe,  
| 3 FTOs or Experts who **did not** join the main meeting. Article 3, para 2 (b).  
| FTOs admitted after 2002 with voluntary restraint on numbers.  
| **EEA only.**  
| No facility for Swiss.  
| **The number of representatives is determined by a sliding scale e.g. 25-499= 1 seat, 2000+= 4 seats. Para. 4.2  
| -1 Austria, union.  
| -3 Germany, increase from 2 in 2000, part unionised.  
| -1 Ireland, unionised.  
| -1 Italy, part unionised.  
| -2 Spain, unionised.  
| -3 UK, Non union reps.  
| No experts or FTOs  
| **UK**  
| Election by UK wide constituencies  
| Other countries:-  
| Elected or appointed in accordance with local practice. Para 4.4.  
| **3 non-unionised reps, including Chair.**  
| **Reps were elected to a Special Negotiating Body that became the Forum.**  
<p>| <strong>11</strong> |</p>
<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>CLAUSE</th>
<th>TU CHAIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty Food</td>
<td>Section 1, Para. 8, Forum is meeting Mgmt and EWC (Reps.)</td>
<td>TU chair taken by Chair of EWC, UK. TGWU Convenor, North West, El Presidente.</td>
</tr>
<tr>
<td></td>
<td>Section 3, Para. 3, EWC Chair and Sec elected by EWC reps.</td>
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<tr>
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<td>Section 4, Para. 1</td>
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<td></td>
<td>Chair of EWC on Steering Bureau.</td>
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<td>Section 5</td>
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<td></td>
<td>Forum is mgmt. meeting with EWC (reps.).</td>
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</tr>
<tr>
<td>Precision Instruments</td>
<td>Section 5, Para. 5.1 Employee Council Representatives appoint three for Employee Council Co-ordinating Committee (Chair leads reps. at forum)</td>
<td>Union Chair- Chair Co-ordinating Committee, North West, UK.</td>
</tr>
<tr>
<td>Insulation.</td>
<td>Section 4, Para. 4.3, Employee reps appointed Administrative Advisory Committee drawn from two counties largest presence. (UK/Belgium)</td>
<td>TU Chair-representative from Belgium.</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>Part IV, Para. 2 Reps. appoint Dep. Chair. Para. 3 Chair and Deputy Initial appointment 4 years.</td>
<td>Union chair-Deputy Chair of Forum from Germany.</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>Article 4, Para. 3 Employee Co-ordinators term of office. (3 yrs or 2 yrs meetings.) Para. 4- Member of Forum Committee.</td>
<td>Role of Employee Co-ordinator rotates between member countries, every 3 years, or two meetings currently Fr. next It. Agreement, 2001, Article 5 Para. 2- One meeting as smoothing for Employee Co-ordinator.</td>
</tr>
<tr>
<td>Bright Lights (Non Unionised)</td>
<td>Section 4, Para. 4.6 Reps. elect a Chair and Sec. who co-ordinate.</td>
<td>Chair UK- unofficial designation. Joint Sec -Austria (Union Member)</td>
</tr>
</tbody>
</table>
## Appendix 19 Date of Agreement, Date of Any Revision, Venue for Meetings and Legal Basis

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>AGREEMENT</th>
<th>REVISED</th>
<th>MEETINGS</th>
<th>ARTICLE 6 or 13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food</strong> Joint European Forum.</td>
<td>03/06/99 Signed Lisbon</td>
<td>03/06/03 Signed Amsterdam</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Frankfurt 15/02/00. 2&lt;sup&gt;nd&lt;/sup&gt; Brussels 01/03/01. 3&lt;sup&gt;rd&lt;/sup&gt; Prague 4-5/03/02 4&lt;sup&gt;th&lt;/sup&gt; Amsterdam 3-4/04/03 5&lt;sup&gt;th&lt;/sup&gt; Barcelona 9-10/05/04</td>
<td>Article 6</td>
</tr>
<tr>
<td><strong>Precision Instruments</strong> - European Council</td>
<td>??/09/96 Signed Brussels.</td>
<td>??/04/01 Signed Pamplona, Spain.</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Brussels ??/04/97. 2&lt;sup&gt;nd&lt;/sup&gt; Brussels ??/04/98. 3&lt;sup&gt;rd&lt;/sup&gt; Brussels ??/04/99. 4&lt;sup&gt;th&lt;/sup&gt; Brussels ??/04/00. 5&lt;sup&gt;th&lt;/sup&gt; Pamplona Spain ??/04/01. 6&lt;sup&gt;th&lt;/sup&gt; Prague ??/04/02 7&lt;sup&gt;th&lt;/sup&gt; Dublin ??/04/03 8&lt;sup&gt;th&lt;/sup&gt; Paris ??/04/04</td>
<td>Article 13</td>
</tr>
<tr>
<td><strong>Insulation</strong> European Information Forum.</td>
<td>16/09/96 Signed Brussels</td>
<td>Effective 01/10/00 Signed ???/11/00 Vis’e, Belgium.</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Brussels ??/09/96. (Met twice) 2&lt;sup&gt;nd&lt;/sup&gt; Brussels ??/07/97. 3&lt;sup&gt;rd&lt;/sup&gt; Brussels ??/98. 4&lt;sup&gt;th&lt;/sup&gt; Brussels ??/99. 5&lt;sup&gt;th&lt;/sup&gt; Vis’e, Belgium ??/11/00. 6&lt;sup&gt;th&lt;/sup&gt; Brussels ??/11/01 7&lt;sup&gt;th&lt;/sup&gt; Brussels ??/09/02 Closed 9/2002</td>
<td>Article 13</td>
</tr>
<tr>
<td>Opaque Glass European Forum</td>
<td>11/09/95 Signed Brussels</td>
<td>30/09/03 Signed Brussels</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Brussels 13/14/11/95, 2&lt;sup&gt;nd&lt;/sup&gt; Brussels ??/06/96, 3&lt;sup&gt;rd&lt;/sup&gt; Brussels 25-26/06/97, 4&lt;sup&gt;th&lt;/sup&gt; Brussels 1-2/7/98, 5&lt;sup&gt;th&lt;/sup&gt; Brussels 30/06-1/07/99, 6&lt;sup&gt;th&lt;/sup&gt; Brussels 28-29/06/00, 7&lt;sup&gt;th&lt;/sup&gt; Brussels 27-28/06/01, 8&lt;sup&gt;th&lt;/sup&gt; Brussels 26/27/06/02, 9&lt;sup&gt;th&lt;/sup&gt; Brussels 25/26/06/03, 10&lt;sup&gt;th&lt;/sup&gt; Brussels 26/27/06/04</td>
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<td>a) Building Products.</td>
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<td>- Preston ??/03/98</td>
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<td></td>
<td>- Preston, 09/03/99</td>
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<td>- Preston 24/03/00, site visit St Helens.</td>
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<td>- Sagunto, Valencia, 23/11/00 with site visit.</td>
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<td>- Preston ??/03/00</td>
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<td>- St Helens, 14/11/01, with site visit.</td>
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<td>Bochum 08/05/02</td>
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<td>St Helens 12/11/02</td>
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<td>Gelsenkirchen 12/03/03</td>
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<td></td>
<td>St Helens 06/11/03</td>
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<td></td>
<td>Bochum 23/03/04</td>
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</tr>
<tr>
<td>Sunshine Textiles Communications Forum.</td>
<td>09/09/96 Signed Paris</td>
<td>22/06/01 – Signed, Chester.</td>
<td>1st Paris 09/09/96, 2nd London 19-20/06/97, 3rd Milan 18/19/06/98, 4th Frankfurt 18/19/06/99, 5th Lyon 23/06/00, 6th Chester 21-22/06/01, 7th Rome 19-21/06/02, 8th Brno, Czech Rep 18-20/06/03, 9th Pau, France 17-19/06/04</td>
<td>Article 13</td>
</tr>
<tr>
<td>Bright Lights, -European Forum.</td>
<td>13/05/99 Signed Brussels.</td>
<td>Facility to review after 5 years. Section 7 5/2004</td>
<td>1st 12-13/05/99 Brussels, 2nd 13-14/07/00 Brussels.</td>
<td>Article 6</td>
</tr>
</tbody>
</table>
3rd 4-5/09/01
Brussels.
## Appendix 20 Duration of Agreements/Facility to Revise.

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>AGREEMENT</th>
<th>REVISION</th>
</tr>
</thead>
</table>
| Tasty Food (1999, 2003) | Section 11  
Para. 1 4yrs  
Para. 2-Two thirds can terminate.  
Para. 3- Central mgmt can terminate.  
Para. 4- 6 months notice.  
Para. 5- EWC continue during notice period and renegotiation.  
Para. 6- Central mgmt. negotiate  
Steering Bureau and experts.  
Para. 7- If more than one year-subsidiary requirements which would mean end existing EWC.  
Para. 8- Agreement may be amended by mutual consent. | Revised cosmetic changes. |
Para. 13.1 4yrs. Final 12-16 months renew or terminate by company or representatives. Reps terminate by two thirds majority and six months notice.  
Para. 13.2 Agreement may be amended by mutual consent. | Revised and ratified in April 2001, in Pamplona, Spain. Cosmetic changes. |
3 yrs from 01/10/00. Amendments not precluded. Review end three years. Either party terminate 6 months notice.  
(Original agreement 9/96 required a review 9/99. Nothing happened until the establishment of the joint venture.) The review date in the revised agreement is 01/10/03-closed 9/2002 | Revised agreement focused on one business activity. The original agreement covered three divisions. |
Para. 2 (a). Six months notice to expire on 31/03. First date- 31/03/00  
TU Deputy Chair to give notice to Chair.  
Para. 3 Automatically ends if business less than threshold size.  
(Minimum life of agreement 11/09/95-31/03/00). | Amended. – inclusion of non EEA country Poland.  
In 1998 Business Lines Forums were introduced. They separately cover Automotive and Building Products, they meet simultaneously in March and November of each year. Cosmetic changes in 2003 which acknowledged the Sub Groups but not the Steering Committee. |
<table>
<thead>
<tr>
<th><strong>Sunshine Textiles, (1996, 2001)</strong></th>
<th>Article 9, Para. 1. 5 yrs-automatically extended unless either party gives 3 months notice. Para. 2 Can be amended by mutual consent. Para. 3 Reps. can give notice, change or amend by two thirds majority.</th>
<th>A Small Review Group sat- 2000-2001. Agreed in Chester 22/06/01. A statement of intent was agreed to review numbers, in exchange FTOs will have observer status at meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bright Lights (1999)</strong></td>
<td>Section 7. Para. 7.1. 5 yrs Para. 7.2 Either party-six months notice withdrawal or renegotiation. Representatives need to vote by two thirds to withdraw. May continue. Para. 7.3. Renegotiation after termination under terms of Directive.</td>
<td>Mgmt proposed in 2000 that the forum meet as and when required, due to a lack of significant agenda items. Reps. have opposed that proposal and the forum still meets.</td>
</tr>
<tr>
<td>BUSINESS</td>
<td>MEMBERSHIP</td>
<td>FREQUENCY</td>
</tr>
<tr>
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</tr>
<tr>
<td>Tasty Food Steering Bureau. Section 1 (8) Definitions Section 4.</td>
<td>Officially-Chair of EWC (Union side). EFFAT Representative. European Executive Vice President or nominee. Reality- Chair of EWC, Sec of EWC, Chair for Director and HRM Mgr N Europe.</td>
<td>Twice a year, London, before and after Forum. Sometimes for a day or just two hours.</td>
</tr>
<tr>
<td>Precision Instruments Employee Council Representatives Coordinating Committee. Section 5.</td>
<td>3 employee council representatives from different countries and where possible business units. (Used to be 4.) Membership 4yrs. Meets Management Council Co-ordinator.</td>
<td>Quarterly, various locations, for a day or maybe half. Used to be 2 days</td>
</tr>
<tr>
<td>Insulation Administrative Advisory Committee. Para. 4.3.</td>
<td>Officially-reps. from two countries meet Management Coordinator. Reality- Belgium, Italian and UK reps. meet two managers only at forum. It was wrongly referred to as “SNB”.</td>
<td>There was informal liaison and except at forum it had never met. Met 12.30-1.30, over lunch, day before forum.</td>
</tr>
<tr>
<td>Opaque Glass. Employee representatives elect Deputy Chair. Part IV, Para. 2.</td>
<td>Ad hoc meetings of 2/3 reps. The agenda for 28-29/06/00 records that a Steering Group met for 15</td>
<td>Occasional, e.g. at Forum.</td>
</tr>
</tbody>
</table>
| **Opaque Glass**  
| Since 1998, two business lines group meetings: -  
| Automotive and Building Products.  
| minutes-  
| Mgmt Chair,  
| TU Deputy Chair  
| and TU Deputy.  
| | **Automotive and Business Products meet simultaneously in March and November.**  
| | **March and November**  
| | Meet to discuss transnational issues. The Building Products Sub-Group and the Automotive Products Sub-Group do not have their own constitutions. However a 3rd amendment was made to the original agreement in 11/98.  
| **Opaque Glass**  
| Steering Committee  
| 06/03- not recoded in agreement of 30/09/03  
| | **Deputy Chair Forum, Chair Auto and Business Products**  
| | **Ad hoc meetings**  
| | **Co-ordination and agenda items-meets management.**  
| **Sunshine Textiles**  
| Forum Committee, Article 4, Para. (4).  
| | **-UK Human Resources Director**  
| | **-Japanese Financial/Liaison role with HQ Employee Co-ordinator.**  
| | **2002 Onwards**  
| | **European Dir of Operations**  
| | **UK HRD Admin/Finance Officer**  
| | **UK HRM Employee Rep**  
| | **(With shadow for smoothing from 2004)**  
| | **Until 2000 it met 7/8 times a year. In 2001 that was cut to 3 or 4. Meets in London.**  
| | **Agrees agenda and organises administration. Lot of liaison-"very political" Proposes agenda items. Circulate minutes, Article 4, (9).**  
| **Sunshine Textiles**  
| Small Review Group.  
| Not mentioned in constitution  
| | **One union rep from each country. Reps.**  
| | **1 It., 1 (KFAT) UK, 2 Fr. (including Employee Co-or)**  
| | **1 Mgmt. It., 1 Mgmt. Fr., Financial/Liaison Mgr with Japan,**  
| | **Met once or twice a year, for 18 months until June, 2001.**  
| | **Reviewing constitution EWC, with view to scale down numbers. Report was major part of 2000 meeting. Agreement 22/06/01.**  

<table>
<thead>
<tr>
<th><strong>Bright Lights.</strong> Representatives elect Chair and Secretary to co-ordinate and liaise management. Section 4, Para. 4.6</th>
<th>Employee Chair, Employee Sec., and Management (In reality just Employee Chair and Management Chair.)</th>
<th>Once or twice 2 or 3 months before Forum.</th>
<th>Agenda and administration.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary EWCD, (1994). Annex 1 (c) Select committee where size warrants.</strong></td>
<td>5 Select Committees, with 2 Select Committees that in reality meet informally. i.e. Insulation and Bright Lights.</td>
<td>1 Liaison through Deputy Chair,</td>
<td></td>
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</table>
## Appendix 22 Agenda Preparation

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>AGENDA ITEMS</th>
<th>AGENDA RECENT MEETING</th>
</tr>
</thead>
</table>
| **Tasty Food.**  
Section 4, Para. 2  
Steering Bureau...."agenda items"  
Section 5, Para. 4  
Section 5, Para. 4  
Steering Group will meet between meetings to prepare agenda.  
Para. 6 Steering Bureau to prepare agenda 4 weeks before forum.  
Para. 7 Agenda circulated ideally 4 weeks but not less that 2. | EWC Representatives Chair (TU) e-mails, holds video conferences, mails other reps. Decisions have to be made about which agenda items to submit. | **Agenda 01/03/01.**  
Business plans, acquisitions and business projections.  
**Agenda 3-4/04/03**  
Global business update  
European Regional Performance, Environmental Health and Safety, Quality Update |
| **Precision Instruments**  
Section 5, Para. 5.1.  
Co-ordinating Committee  
Section 7, Para. 7.3  
Co-ordinating Committee circulates agenda two weeks prior to annual meeting. | Chair Co-ordinating Committee, TU, e-mailed, tried to push agenda away from management information.  
Vice Pres HR in Belgium discusses agenda with TU Chair by telephone and e-mail. | **Agenda 4/99.**  
Ethics, results, New VP HR. introduced  
**Agenda 4/00.**  
Financial performance, redundancies, restructuring, production and sales at business units. Address by Sen. V.P from States, as Chair was held up by purchase of XXXXX  
**Agenda 4/01**  
Acquisitions and Renegotiation. |
| **Insulation.**  
Section 4, Para. 4.3 (2)  
Agenda items to Co-ordinating Committee no later 4 weeks before Forum. | Representatives from each location e-mailed each other and formulated an agenda that is submitted to Human Resource Leader. Management make an input through Director. | **Agenda, 11/00**  
Company performance, problems finance, relationship with USA parent, new products, expansion eastern Europe and report from business areas. **Framework Agreement Training.** |
| **Opaque Glass.**  
Section V, Para. 2. | UK reps., deputies (8) and GMB FTO meet 3 times a year in northwest to identify agenda items to | **Agenda 6/00**  
Divisional results, employee survey health and safety. |
<table>
<thead>
<tr>
<th>Agenda agreed</th>
<th>Management Chair and TU Deputy.</th>
<th>put forward to TU Deputy Chair of Forum. That is before the two divisional and full forum meetings. The Deputy Chair liaises with Mgmt. Chair.</th>
<th>Concern by German reps. re new Polish plant. Also concern two small closures without consultation EWC. Details management buyout at XXXX. Production and sales performance. Environmental issues. <strong>Agenda 6/04</strong> Health and safety, environmental performance, HSE strategies, Business Performance, Business Strategy, Project 20 Quality Initiative, Cash for Growth Strategy, Russian Float Plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sunshine Textiles.</strong> Article 4, Para. 4 Forum Committee -preparation.</td>
<td>The Forum Committee liaises with reps. Co-ordinator.</td>
<td><strong>Agenda 29/06/00.</strong> Opening address, introduction new members, financial results, employee trends and data, global investment plans, Small Review Group-feedback on revisions to agreement. Safety performance, training trends <strong>Agenda 18-20/06/03</strong> Opening address, introduction of new members, safety awareness education, financial results, capital investment plans, training trends, labour turnover, safety performance, delegates training. Structured pre submitted Q/A.</td>
<td></td>
</tr>
<tr>
<td><strong>Bright Lights.</strong> Section 5 E Para. 5.12-5.14 Secs and Chairs agree agenda.</td>
<td>Employee Chair e-mails all other reps. and meets Mgmt. Chair couple of times. Management Chair and Employee Chair agree agenda items.</td>
<td><strong>Agenda 7/00.</strong> No agenda items from reps. Review business performance. Q/A AOB- Proposed forum only meet when necessary- not every year. Official agenda 1) XXX business results-presentation 2) Any other business.</td>
<td></td>
</tr>
<tr>
<td>Summary</td>
<td>Tasty Food, Precision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruments, Insulation, Opaque Glass and Sunshine Textiles refer to the use of a select committee. In the case of Insulation it only meets at the forum. The arrangements for Bright Lights could just be deemed a select committee.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>BUSINESS</td>
<td>PERIODICITY</td>
<td>PRE-MEET</td>
<td>DINNER</td>
</tr>
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<tr>
<td><strong>Tasty Food.</strong>&lt;br&gt;DAY 1:&lt;br&gt;- PM -2.00 pm&lt;br&gt;- reps. have meeting. 3-4 hours.&lt;br&gt;- Joint dinner.</td>
<td>Section 5, &lt;br&gt;Para. 1.&lt;br&gt;- Once per annum,&lt;br&gt;November&lt;br&gt;Para. 2- 2 days.</td>
<td>Section 5, &lt;br&gt;Para. 2.&lt;br&gt;- Start 14.00.</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td><strong>DAY 2</strong>&lt;br&gt;- AM - 8.00am&lt;br&gt;- Joint meeting.&lt;br&gt;- Joint lunch.&lt;br&gt;- PM Joint meeting, with unscripted Q/A until 3.00 pm.&lt;br&gt;- Debrief until 4.30 pm.&lt;br&gt;- No site visit. &lt;br&gt;Steering Bureau may take 3rd day.</td>
<td>Section 5, &lt;br&gt;Para. 1.&lt;br&gt;- Once per annum,&lt;br&gt;November&lt;br&gt;Para. 2- 2 days.</td>
<td>Section 5, &lt;br&gt;Para. 2.&lt;br&gt;- Start 14.00.</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td><strong>Precision Instruments</strong></td>
<td>Section 7, Para. 7.1&lt;br&gt;- A meeting, within one month of results.</td>
<td>Section 8, Para. 8.1&lt;br&gt;- Prep. meeting day before.&lt;br&gt;Para. 8.3 With translators</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td>Travel first night.</td>
<td>Section 5, &lt;br&gt;Para. 1.&lt;br&gt;- Once per annum,&lt;br&gt;November&lt;br&gt;Para. 2- 2 days.</td>
<td>Section 5, &lt;br&gt;Para. 2.&lt;br&gt;- Start 14.00.</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td><strong>DAY 1</strong>&lt;br&gt;- AM- Pre-meeting.&lt;br&gt;- PM Site visit, (new/pending) or EU speaker.&lt;br&gt;- Joint Dinner</td>
<td>Section 5, &lt;br&gt;Para. 1.&lt;br&gt;- Once per annum,&lt;br&gt;November&lt;br&gt;Para. 2- 2 days.</td>
<td>Section 5, &lt;br&gt;Para. 2.&lt;br&gt;- Start 14.00.</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td><strong>DAY 2</strong>&lt;br&gt;- Joint session for 5 hours, either side of joint lunch.&lt;br&gt;- Formatted Q/A session at end to nominated questions.</td>
<td>Section 5, &lt;br&gt;Para. 1.&lt;br&gt;- Once per annum,&lt;br&gt;November&lt;br&gt;Para. 2- 2 days.</td>
<td>Section 5, &lt;br&gt;Para. 2.&lt;br&gt;- Start 14.00.</td>
<td>Not specifically mentioned.</td>
</tr>
<tr>
<td><strong>Insulation</strong></td>
<td><strong>Opaque Glass</strong></td>
<td></td>
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<td>---------------</td>
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</tr>
<tr>
<td><strong>DAY 1</strong></td>
<td><strong>FULL FORUM-JUNE</strong></td>
<td></td>
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<tr>
<td>10.00am-12.30pm</td>
<td>DAY 1:- AM two hour pre meeting.</td>
<td></td>
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<tr>
<td>Reps. pre meeting.</td>
<td>Joint lunch.</td>
<td></td>
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<tr>
<td>12.30-1.30 pm</td>
<td>PM Joint meeting until 6.00-8.00 pm.</td>
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<tr>
<td>Administrative Advisory Group meets over lunch.</td>
<td>Joint dinner.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PM Site Visit. Joint Dinner.</td>
<td>DAY 2:- AM 1 hour management AM- Reps. brief.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DAY 2</strong></td>
<td>Joint lunch-the end.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM Joint meeting. Joint lunch. PM Joint meeting. Unscripted Q/A. Debrief 2-3 hours.</td>
<td>Unscripted Q/A. taken Four reps. and</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Section 5, Para. 5.1. | Part V, 1, (a)-Regular meeting after results. Implied but not stated-1 day. |
| Section 5, Para. 5.2. Afternoon before. | Part V, 1 (c), Prior to dinner. |
| Section 5, Para. 5.3. | Part V, 1 (b), Night before meeting. |
| Section 5 in general. | Not specifically mentioned. |
| Section 5, Para. 5.2. Afternoon of meeting if forum has finished. | Part V, 1 (d). Same day as regular meeting. |
Deputies meet with FTO in UK to debrief.

DIVISIONAL MAR/NOV. Less formal.
8.00 am - 10.00 pm reps.
give reports to each other.
10.00-12.00 noon joint meeting mgmt.
Joint lunch.
1.00-2.00 pm Debrief.
2.00-3.30 pm site visit.

Sunshine Textiles. In 2001 extended to two nights for renegotiation.

**DAY 1:**
AM fly out.
Lunch.
PM Pre-meet with FTOs.
Joint dinner.

**DAY 2:**
9.00 am- 1.00 pm or 2.00 pm joint meeting.
End with previously submitted Q/A.
Partially joint lunch (planes).
No site visit.

2002 onwards
**Day 1**
Joint training and site visit.

<table>
<thead>
<tr>
<th><strong>Bright Lights.</strong></th>
<th><strong>Para 5 B, 5.5.</strong> Within 4 weeks of audit. 2 days including travel.</th>
<th><strong>Para 5 B, 5.6. Pre meeting day 1.</strong></th>
<th><strong>Not specifically mentioned.</strong></th>
<th><strong>Para 5 B, 5.6. Joint day 2.</strong></th>
<th><strong>Not specifically mentioned.</strong></th>
<th><strong>Not specifically mentioned.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAY 1</strong></td>
<td>AM arrive. Lunch. PM Pre meeting &amp; opportunity for trg. Joint dinner with HR.</td>
<td></td>
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</tr>
<tr>
<td><strong>DAY 2</strong></td>
<td>AM Joint Meeting. Joint lunch with senior management. PM Joint meeting. De-brief I hour – agree minutes. No site visit. Facility for Q &amp; A not greatly used.</td>
<td></td>
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</tr>
<tr>
<td><strong>Summary</strong></td>
<td>EWCD (1994) Article 6 (d). Refers to defining frequency. Annex para. 2, Pre-meetings, Annex para. 4</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
### Appendix 24 Mgmt Chairperson and Management Representatives

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>CHAIR</th>
<th>DEPUTY CH</th>
<th>ROTATE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Section 1, Para.8, European Executive Vice President or nominee on Steering Committee.</td>
<td>The agreement implies but does not state European Executive Vice President or nominee.</td>
<td>By implication Nominee of European Executive Vice President.</td>
<td>No</td>
<td>CHAIR&lt;br&gt;- Chair taken by European HR Director.&lt;br&gt;MGMT RPS&lt;br&gt;- Director-European Mgmt Services, London.&lt;br&gt;- Managing Director-European Frozen and Chilled Tasty Foods.&lt;br&gt;- General Manager-Business Finance European Grocery.&lt;br&gt;- General Manager European Excel.&lt;br&gt;- General Manager-Infant Feeding.&lt;br&gt;- General Manager Finance-European Tasty Food Service.&lt;br&gt;- European Planning &amp; Development Controller.&lt;br&gt;- Human Resources Manager. Northern Europe.&lt;br&gt;- Human Resource Mgr, Milan Italy (2).&lt;br&gt;- Human Resources Manager. Alfaro, Spain 12 Mgrs, 26 Union</td>
</tr>
<tr>
<td>2) Section 5, Para. 5 Date location form European Vice President or nominee.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Para. 7 Agenda from European Vice President. Section 1, 4) Para. 8, Forum is meeting mgmt and EWC (Reps).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Precision Instruments</strong></td>
<td>Senior Executive</td>
<td>Another nominated Senior Executive</td>
<td>No</td>
<td>CHAIR NAME&lt;br&gt;- Vice President HR Europe Chair.&lt;br&gt;MGMT REPS&lt;br&gt;- Employee Rel, Legal Counsel.&lt;br&gt;- President HR. USA.&lt;br&gt;- Two Business Unit Managers.&lt;br&gt;- HR Manager, North West.(UK Country Coordinator).&lt;br&gt;Company Consultant (Expert). (Ex EEF).&lt;br&gt;- HR Country Co-ordinators for France, Germany, Italy and Spain. (4)&lt;br&gt;11 Mgrs, 14 Union</td>
</tr>
<tr>
<td><strong>Insulation.</strong></td>
<td>Senior Company</td>
<td>Another nominated</td>
<td>No</td>
<td>MGMT CHAIR&lt;br&gt;Chief Executive Officer.</td>
</tr>
<tr>
<td>1) Section 4,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Para. 4.1</td>
<td>A senior company leader will act as Chair</td>
<td>Senior Company Leader</td>
<td>MGMT REPS</td>
<td></td>
</tr>
<tr>
<td>Section 3, 2) Para. 3.3- (1) &amp; (2). Mgmt reps senior- not exceed TU</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

| Opaque Glass. 1) Part II, Para. 3 (a). Up to 16 management reps. 2) Part IV, Para. 1 Mgmt to appoint chair 3) Para.2 Reps appoint dep. Chair. 4) Para. 3 Chair and Deputy initial appointment 4 years. | Director HR in Reality. | Nominee of Director of HR | No |

| Sunshine Textiles 1996-2001 1) Article 4 (2) Chief Representative for Europe Chair (Mgmt). 2) Article 3 1 (a) Mgmt reps to equal TU reps. (Seemed to exceed it) | Chief Representative Europe (Mgmt). | Nominee of Chief Representative Europe (Mgmt). | No |

<p>| MGMT CHAIR European Director Operations. MGMT REPS 10 Mgmt reps and 13 observers, 7 from Japan. Managers include Financial/Liaison Japan Mgr, (Sort of “Expert” role) HR Director UK, HR Mgrs for Cz, It, 2 Fr and , UK 23 Mgrs 14 Union + 6 FTOs who do not attend the meeting |</p>
<table>
<thead>
<tr>
<th>2002 onwards, Article 4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bright Lights.</strong> 1) Section 5(b) Para. 5.4 Member UCI Mgmt 2) Section 4, Para. 4.1 Snr. Mgmt, Reps. as nominated</td>
<td>Member Mgmt</td>
</tr>
</tbody>
</table>

**MGMT CHAIR**
European Director of Operations

**MGMT REPS**
1 Observer from Japan
Financial/Liaison Manager Japan (Expert)
HR Director
6 Management reps.
UK HR Director
UK HRM
HRM host company
12/13 Mgars 14 Union +6 FTOs

**MGMT CHAIR**
Director of Corporate HR (Chair).

**MGMT REPS**
- General Counsel & SVP Bus Affairs.
- Corporate HR Mgr (Joint Sec).
- Snr. VP South Europe.
- Snr. VP North Europe.
5 Mgars, 11 Representatives
### Appendix 25 Training

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>AGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty Food</td>
<td>Section 4, Para. 3. Steering Bureau-Co to pay for training and education.</td>
</tr>
<tr>
<td></td>
<td>Section 5, Para.10. Forum-Co to pay for training and education.</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>Section 5, Para. 5.1. Employee Council Coordinating Committee “...training and development”.</td>
</tr>
<tr>
<td>Insulation</td>
<td>No mention of training—but acknowledged and would have been addressed had forum not closed.</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>No mention of training.</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>No mention of training in agreement 1996-2002. From 2002 onwards 5 year plan for training e.g.2003 best practice in training.</td>
</tr>
<tr>
<td>Bright Lights.</td>
<td>No mention of training.</td>
</tr>
</tbody>
</table>
### Appendix 26 Confidentiality

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>ARTICLE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasty Food</strong></td>
<td>Section 9,</td>
</tr>
<tr>
<td></td>
<td>Para. 1- Spirit of openness</td>
</tr>
<tr>
<td></td>
<td>Para. 2- Not divulge confidential. Company label and time confidentiality.</td>
</tr>
<tr>
<td></td>
<td>Para. 3 Co. not release price sensitive etc.</td>
</tr>
<tr>
<td></td>
<td>Para. 4 Various regs. may deem certain items confidential.</td>
</tr>
<tr>
<td></td>
<td>Para. 5 Sign formal undertaking. Breach- as per local rules.</td>
</tr>
<tr>
<td><strong>Precision Instruments</strong></td>
<td>Section 10</td>
</tr>
<tr>
<td></td>
<td>Para. 10.1 Spirit of openness. Not divulge confidential-if do excluded with serious discipline- as per local rules.</td>
</tr>
<tr>
<td></td>
<td>Para. 10.2 Openness but confidential oral and written reports not released without permission of company.</td>
</tr>
<tr>
<td></td>
<td>Para. 10.3 Co. not release price sensitive etc. Various regs. may preclude release.</td>
</tr>
<tr>
<td></td>
<td>Para. 10.4 More about regs. requiring confidentiality.</td>
</tr>
<tr>
<td></td>
<td>Para. 10.5 No Experts who have advised competitors.</td>
</tr>
<tr>
<td></td>
<td>Para. 10.6 Third parties (Experts?) will be required to sign confidentiality agreement.</td>
</tr>
<tr>
<td><strong>Insulation</strong></td>
<td>Section 8, Para. 8.1</td>
</tr>
<tr>
<td></td>
<td>Free exchange, not release confidential information, rules apply after leave, breach - membership untenable.</td>
</tr>
<tr>
<td>(Nothing about discipline.)</td>
<td></td>
</tr>
<tr>
<td><strong>Opaque Glass</strong></td>
<td>Section VI</td>
</tr>
<tr>
<td></td>
<td>Para. 1 Co-op good faith.</td>
</tr>
<tr>
<td></td>
<td>Para. 2 Not disclose confidential even after leave.</td>
</tr>
<tr>
<td></td>
<td>Para. applies guest and experts. (Nothing about discipline.)</td>
</tr>
<tr>
<td><strong>Sunshine Textiles</strong></td>
<td>Article 7</td>
</tr>
<tr>
<td></td>
<td>Para. 1 Respect confidentiality even after left.</td>
</tr>
<tr>
<td></td>
<td>Para. 2 Not disclose commercially damaging legislation. (2001-Article 10)</td>
</tr>
<tr>
<td><strong>Bright Lights</strong></td>
<td>Section 6</td>
</tr>
<tr>
<td></td>
<td>Para. 6.1 All information may be communicated unless provided in confidence.</td>
</tr>
<tr>
<td></td>
<td>Para. 6.2 Members, experts not release confidential matters. Withhold commercially sensitive.</td>
</tr>
<tr>
<td></td>
<td>Para. 6.3 May leave to avoid hearing confidential information.</td>
</tr>
<tr>
<td></td>
<td>Para. 6.4 Confidential after leave.</td>
</tr>
<tr>
<td></td>
<td>Para. 6.5 Any breach leave, serious breach, local disciplinary matter.</td>
</tr>
<tr>
<td></td>
<td>Para. 6.6 No info. to press without permission.</td>
</tr>
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<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>AGREEMENT RE TIME OFF AND COMMUNICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty Food.</td>
<td>Section 5, Para. 2.</td>
</tr>
<tr>
<td></td>
<td>Time off with pay. Section 5, Para. 9.</td>
</tr>
<tr>
<td></td>
<td>Minutes, communiqué, communication as per national practice. No dissemination before communiqué.</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>Section 7, Para. 7.5.</td>
</tr>
<tr>
<td></td>
<td>Council Co-ordinator (Mgmt) and Co-ordinating Committee – communiqué.</td>
</tr>
<tr>
<td></td>
<td>Section 8, 8.1. Facilities and release duty pre meeting.</td>
</tr>
<tr>
<td></td>
<td>Section 11, Para. 11.1. Time off with pay.</td>
</tr>
<tr>
<td>Insulation</td>
<td>Section 5, Para. 5.5.</td>
</tr>
<tr>
<td></td>
<td>Reps time off with pay.</td>
</tr>
<tr>
<td></td>
<td>Section 6, Para. 6.1.</td>
</tr>
<tr>
<td></td>
<td>Within two weeks chair, co-ordinator and Administrative Advisory Committee would issue brief report.</td>
</tr>
<tr>
<td>Opaque Glass</td>
<td>Section IV, Para. 5 (a),</td>
</tr>
<tr>
<td></td>
<td>Joint communiqué.</td>
</tr>
<tr>
<td></td>
<td>(b) Disseminated as per local practice.</td>
</tr>
<tr>
<td></td>
<td>Section 7, Para. 3.</td>
</tr>
<tr>
<td></td>
<td>Costs and time off paid.</td>
</tr>
<tr>
<td>Sunshine Textiles</td>
<td>Article 4, Para. 9.</td>
</tr>
<tr>
<td></td>
<td>Minutes and distribution.</td>
</tr>
<tr>
<td></td>
<td>Article 6, Para. 1.</td>
</tr>
<tr>
<td></td>
<td>Costs and time off paid.</td>
</tr>
<tr>
<td></td>
<td>(Article 7, 2001)</td>
</tr>
<tr>
<td>Bright Lights</td>
<td>Section 5 B, Para. 5.9,</td>
</tr>
<tr>
<td></td>
<td>Reps. suffer no loss.</td>
</tr>
<tr>
<td></td>
<td>Section 5 E, Para. 5.13 and 5.14.</td>
</tr>
<tr>
<td></td>
<td>Agreed notes to all reps.</td>
</tr>
<tr>
<td></td>
<td>Annex S. 7 –Expenses paid by mgmt.</td>
</tr>
</tbody>
</table>