

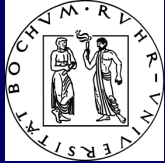
# European Works Councils as Transnational Organisations?

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International Workshop Ruhr-Universität Bochum  
9. – 13. July 2007

1. Starting point/state of research
2. General research design and questions
3. The example of GM and Volkswagen
4. Research design, hypothesis and methods

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## 1. Starting point/state of research

State of the art:

EWC research mainly based on industrial relations perspective and focused on figures of capital-labour interchange

Our approach:

EWC as

- European Non-Profit-Organisations based on European **and** national law acting in/towards
- internationally operating companies based on exclusively national law

>> EWC as a special case of international organisations

>> Relation between EWC and company as organisations



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs Symbolic EWC
1. EWC and management	passive attitude of EWC lack of information
2. EWC: internal structure+processes	without resources no coherence
3. EWC and national interest regulation	without interchange of resources
4. EWC and unions	no involvement of unions



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs Service oriented EWC
1. EWC and management	active information but no more participation
2. EWC: internal structure+processes	spontaneous structures and mechanisms
3. EWC and national interest regulation	mutual interchange
4. EWC and unions	tentative involvement of unions



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs Project driven EWC
1. EWC and management	intermittent activities in specific projects
2. EWC: internal structure+processes	campaign based coherence as body
3. EWC and national interest regulation	selective interchange according to project
4. EWC and unions	issue driven mutual interchange



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs Participative EWC
1. EWC and management	information, consultation, negotiation, initiatives
2. EWC: internal structure+processes	mature structures/politics integrated body
3. EWC and national interest regulation	mutual interchange of resources
4. EWC and unions	involvement and mutual acceptance with unions



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs ? $2 \times 2 \times 2 \times 2 = 16$	
1. EWC and management		
2. EWC: internal structure+processes		
3. EWC and national interest regulation		
4. EWC and unions		



## 1. Starting point/state of research

### Typology of EWCs (according to Platzer/Rüb 1999)

Action fields of EWCs	4 types of EWCs ?		
	$3 \times 3 \times 3 \times 3 = 81$		
1. EWC and management			
2. EWC: internal structure+processes			
3. EWC and national interest regulation			
4. EWC and unions			





## 2. General research design

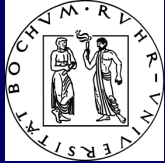
### Research approach

#### EWC as European Non-Profit-Organisations

- based on European **and** national law and a company specific negotiated order,
- acting in/towards Europe wide active companies (EWAC) that are based exclusively on corresponding national law
- who's actors/members are embedded in divergent national labour regulation settings
- with highly complex inter- and intra-organisational bargaining structures and dynamics at local, national and European level.

#### Organisation research perspectives

- contingency and choice/structure and strategy >> structuration
- capitalism varieties, culture and institutions >> institutionalism
- path dependency, trajectories >> historical perspective



## 2. General research design

### Research approach

EWC as European Non-Profit-Organisations

- based on European **and** national law and a company specific negotiated order,
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Organisation research perspectives

- contingency and choice/structure and strategy >> structuration
- capitalism varieties, culture and institutions >> institutionalism
- path dependency, trajectories >> historical perspective

### 3 main research tasks

1. Identify EWCs according to their **internationalisation type**: global, focal, multinational or transnational distribution and coordination of resources
2. Explain EWC internationalisation type by company structure, country effects, actors' strategy and trajectory
3. Explain output of EWCs by internationalisation type of EWC, company structure, country effects, actors' strategy and trajectory



## 2. General research design

### Research approach

1. Identify EWCs according to their internationalisation type: global, focal, multinational or transnational resource distribution + coordination

2. Explain EWC internationalisation type by company structure, country effects, actors' strategy and trajectory

3. Explain EWC output by its internationalisation type, company structure, country effects, actors' strategy + trajectory

**Company structure**

**Country effects**

EWC types according to global, focal, multinational or transnational distribution and coordination of resources

EWC output  
(in employment security)

**Actor's strategy**

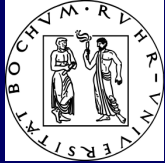
**Trajectory**



## 2. General research design

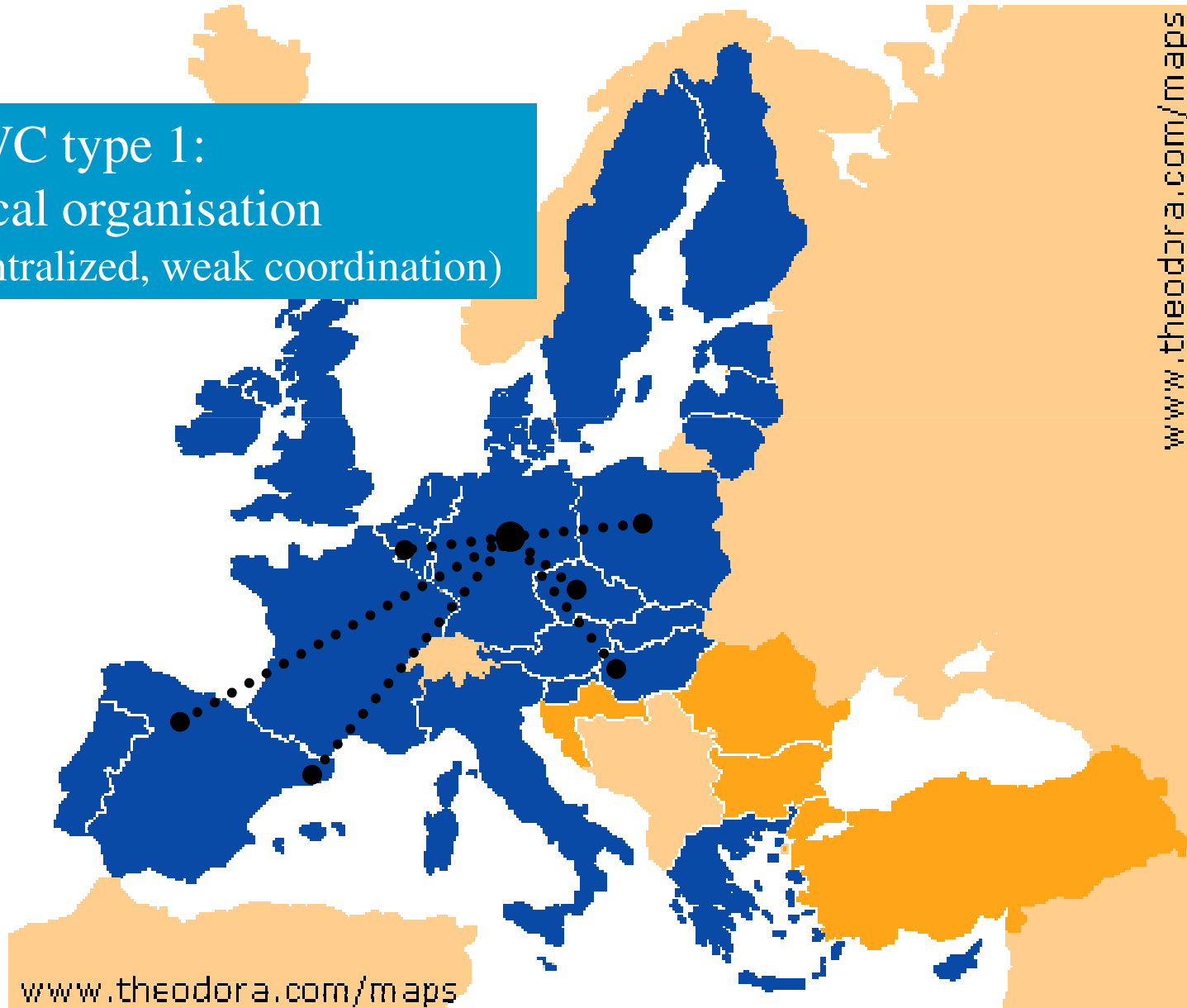
### 4 ideal types of international organisations (according to their distribution and coordination of material resources, knowledge, culture and power)

<b>coordination</b> <b>distribution</b>	weak	strong
	Focal organisation	Global organisation
centralized		
decentralized	Multinational organisation	Transnational organisation



## 2. General research design

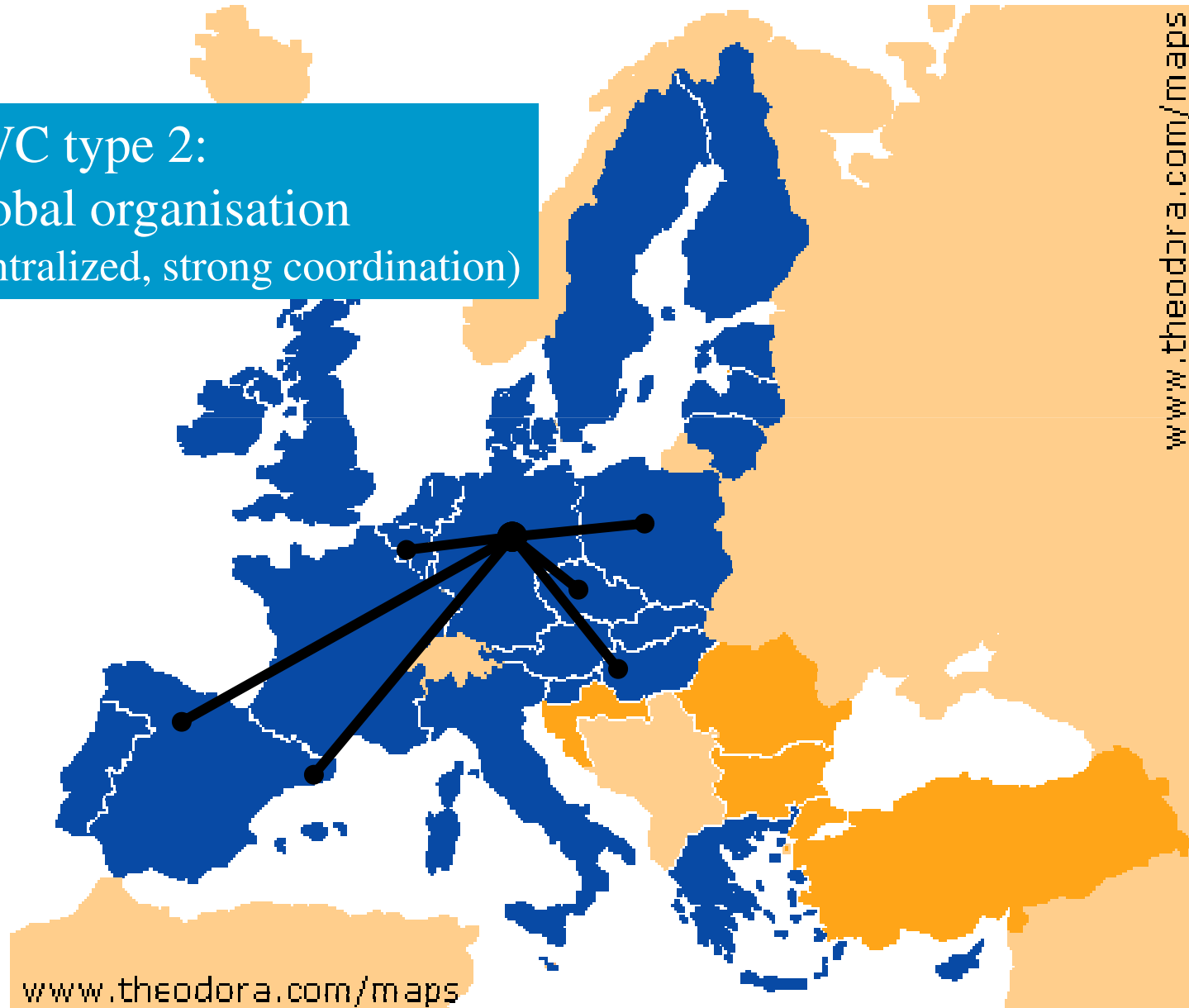
EWC type 1:  
Focal organisation  
(centralized, weak coordination)





## 2. General research design

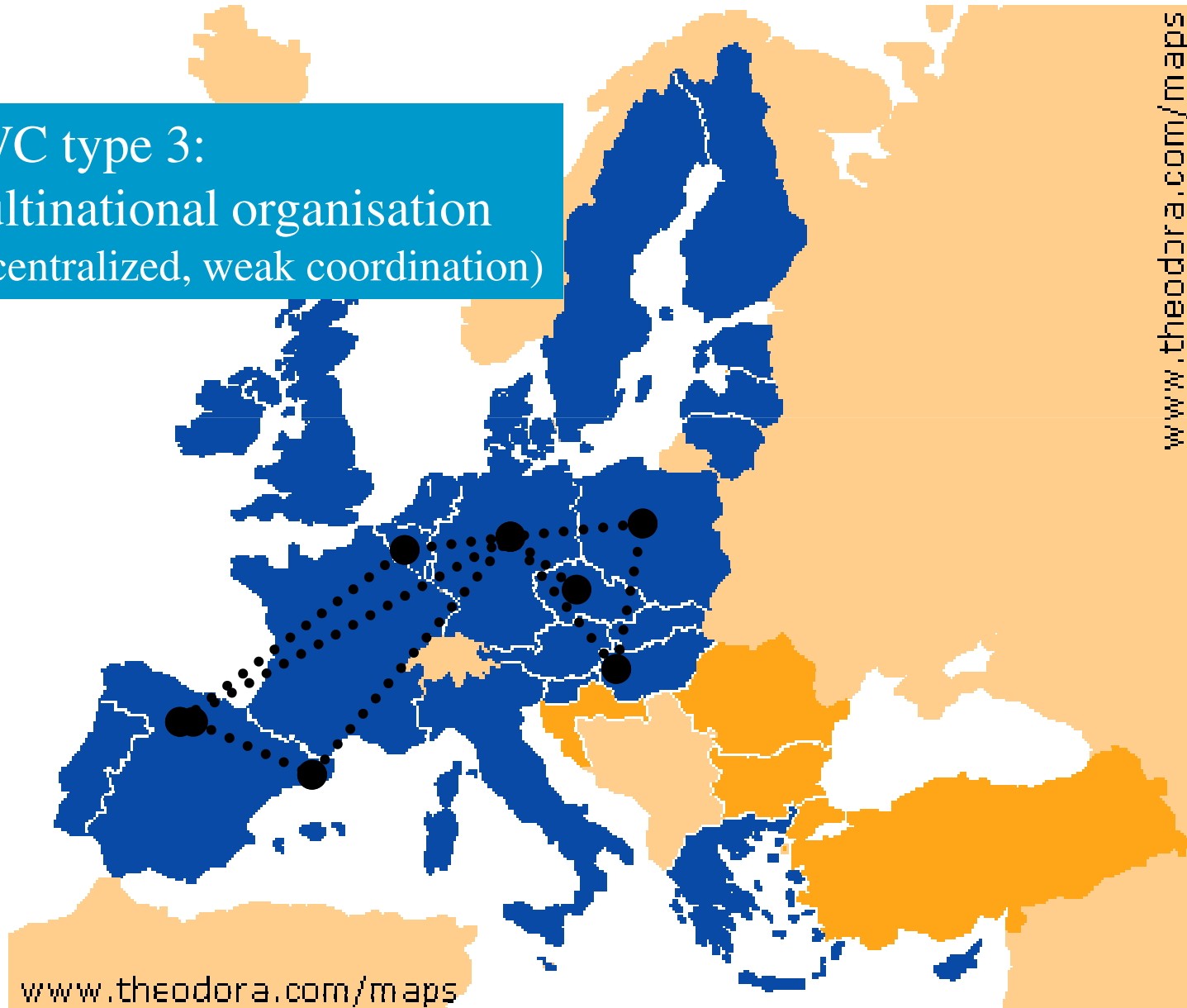
EWC type 2:  
Global organisation  
(centralized, strong coordination)





## 2. General research design

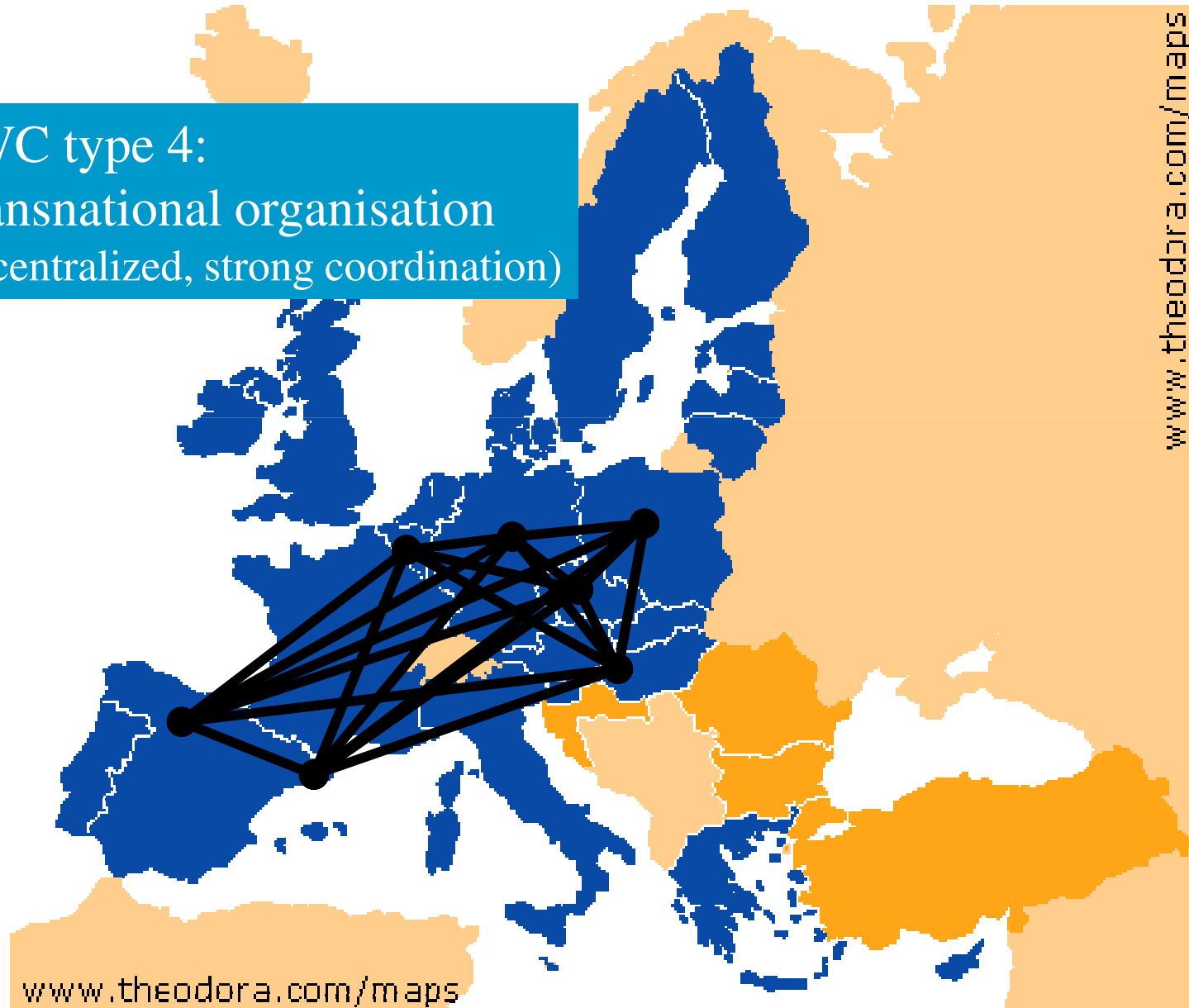
EWC type 3:  
Multinational organisation  
(decentralized, weak coordination)





## 2. General research design

EWC type 4:  
Transnational organisation  
(decentralized, strong coordination)



[www.theodora.com/maps](http://www.theodora.com/maps)

[www.theodora.com/maps](http://www.theodora.com/maps)





## 2. General research design

### Research approach

1. Identify EWCs according to their internationalisation type: global, focal, multinational or transnational resource distribution + coordination

2. Explain EWC internationalisation type by company structure, country effects, actors' strategy and trajectory

3. Explain EWC output by its internationalisation type, company structure, country effects, actors' strategy + trajectory

**Company structure**

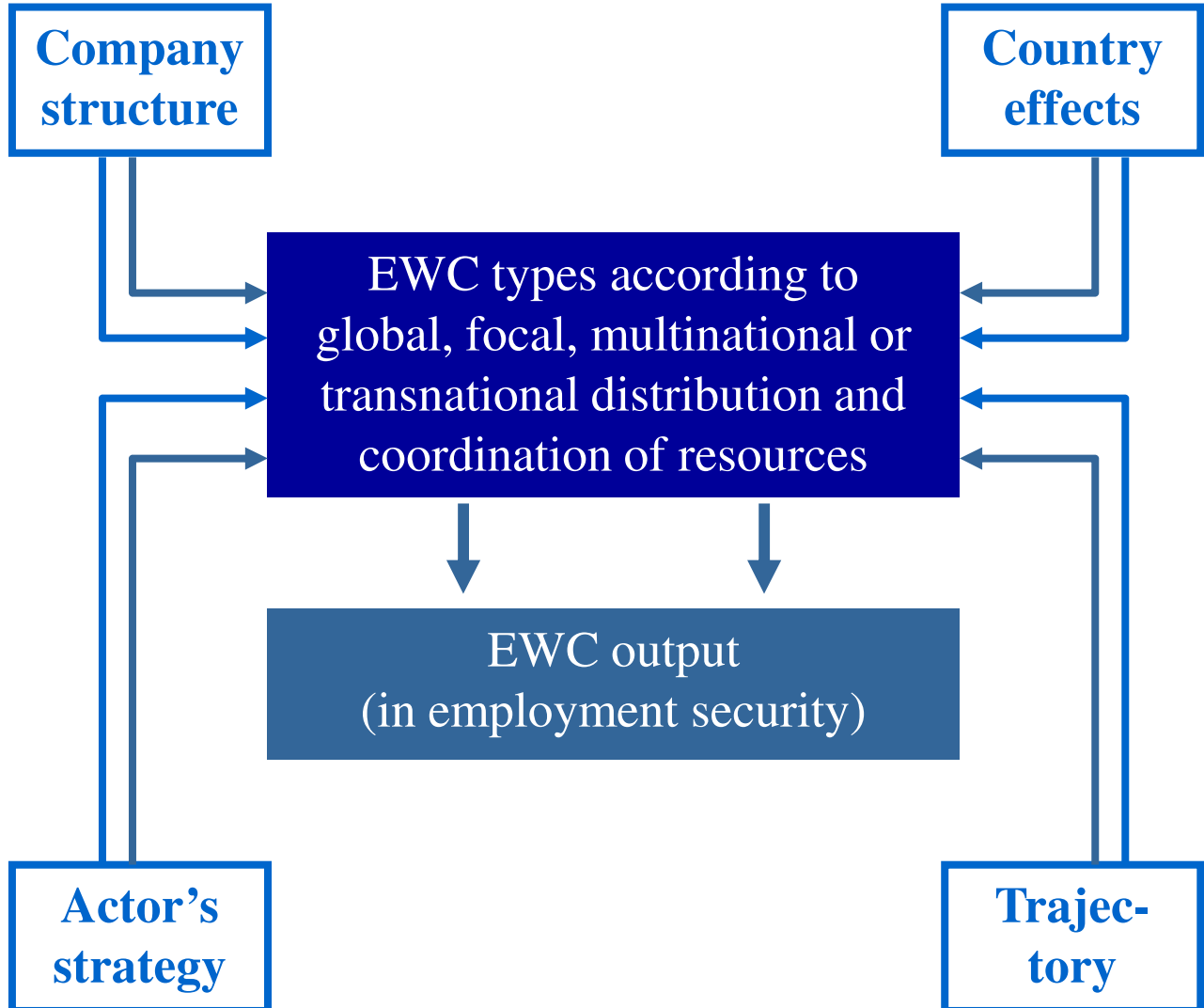
**Country effects**

EWC types according to global, focal, multinational or transnational distribution and coordination of resources

EWC output  
(in employment security)

**Actor's strategy**

**Trajectory**





## 2. General research design

### EWCs in multi-level and multidimensional perspective

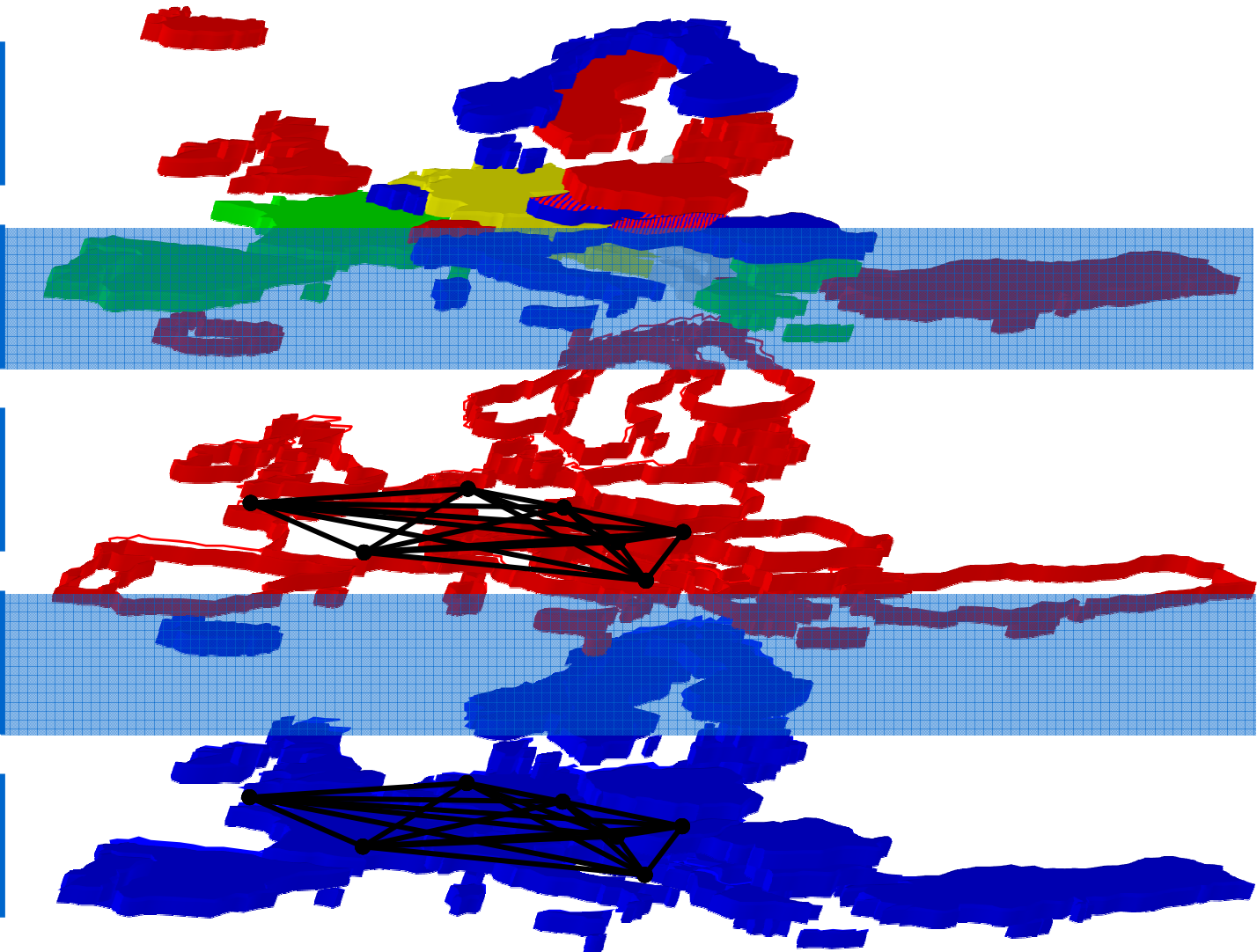
Country  
effects

Actor's  
strategy

EWC  
type

Actor's  
strategy

Company  
structure



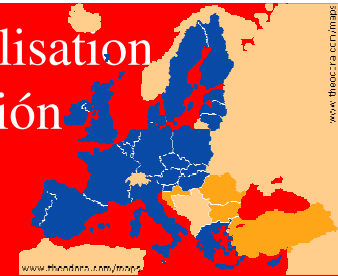


## 2. General research design

### European law – Directive 94/45

Status of inter-national/inter-state law of nations, nation states concede sovereignty, opening supranational institutional arena

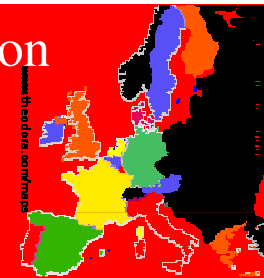
Supra-Nationalisation  
homogeneización  
Convergence



### National legislation – Germany 26.10.1996

Defining concepts (Ex.: undertaking) and procedures (Ex. § 11 *Appointment of employee representatives for Germany*)

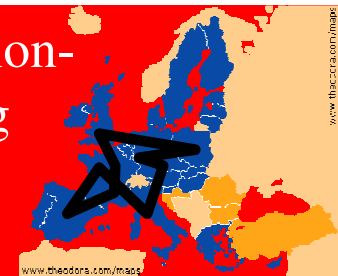
(Re-)Nationalisation  
diferenciación  
path dependency



### Focal, global, trans- or multinational corporate actors

EWC as working units and configurations of resources, knowledge, interests and culture

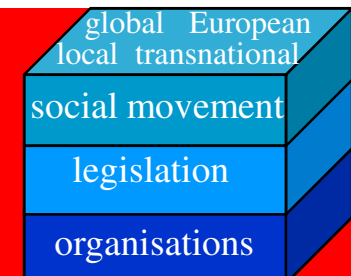
Pluri-local nation-states spanning networks and social spaces



### European, national, local, sector dynamics

Revisions, recommendations, opinions, social dialogue, SE, collective bargaining

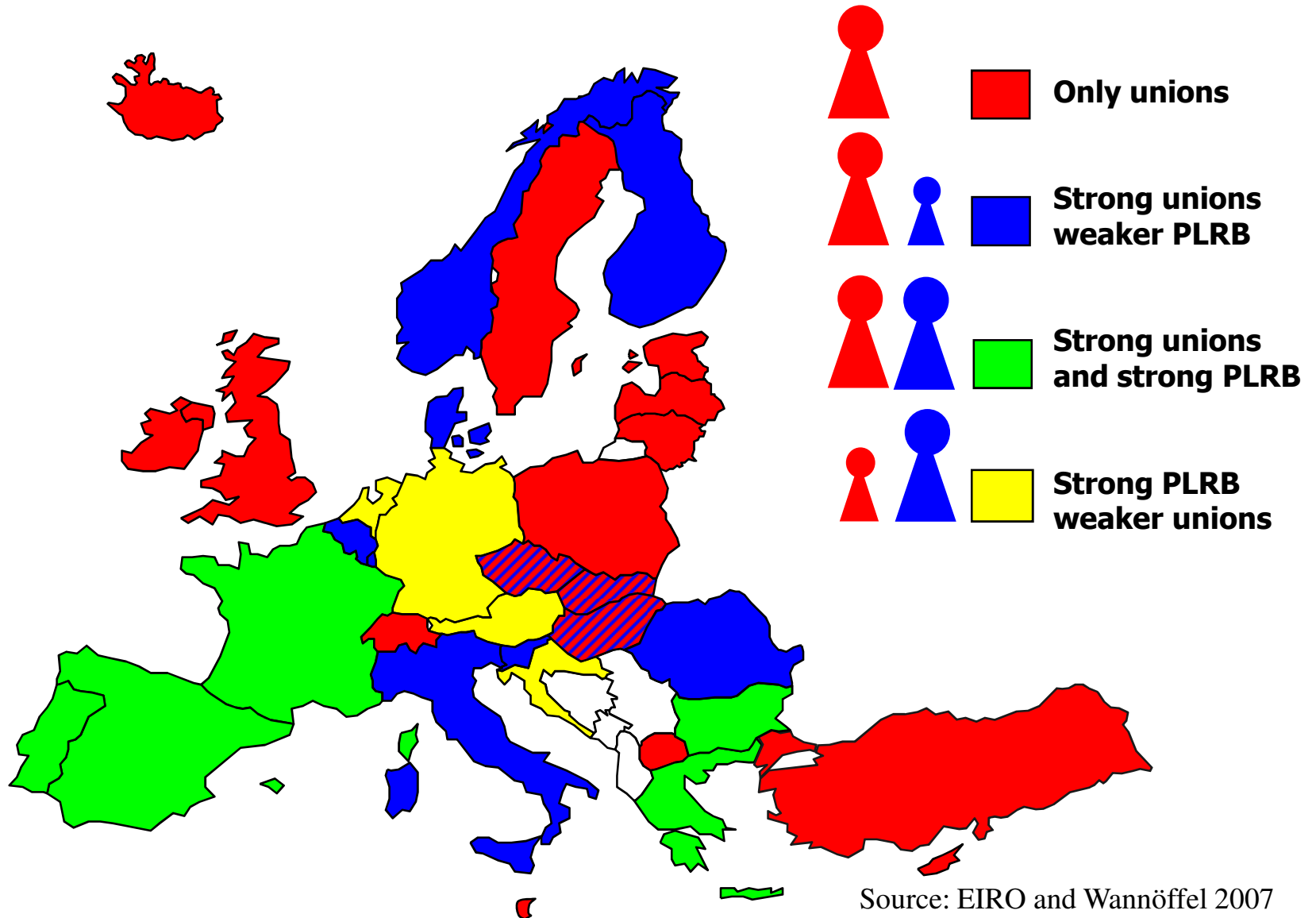
Multi-level- and multi-dimensional policy fields





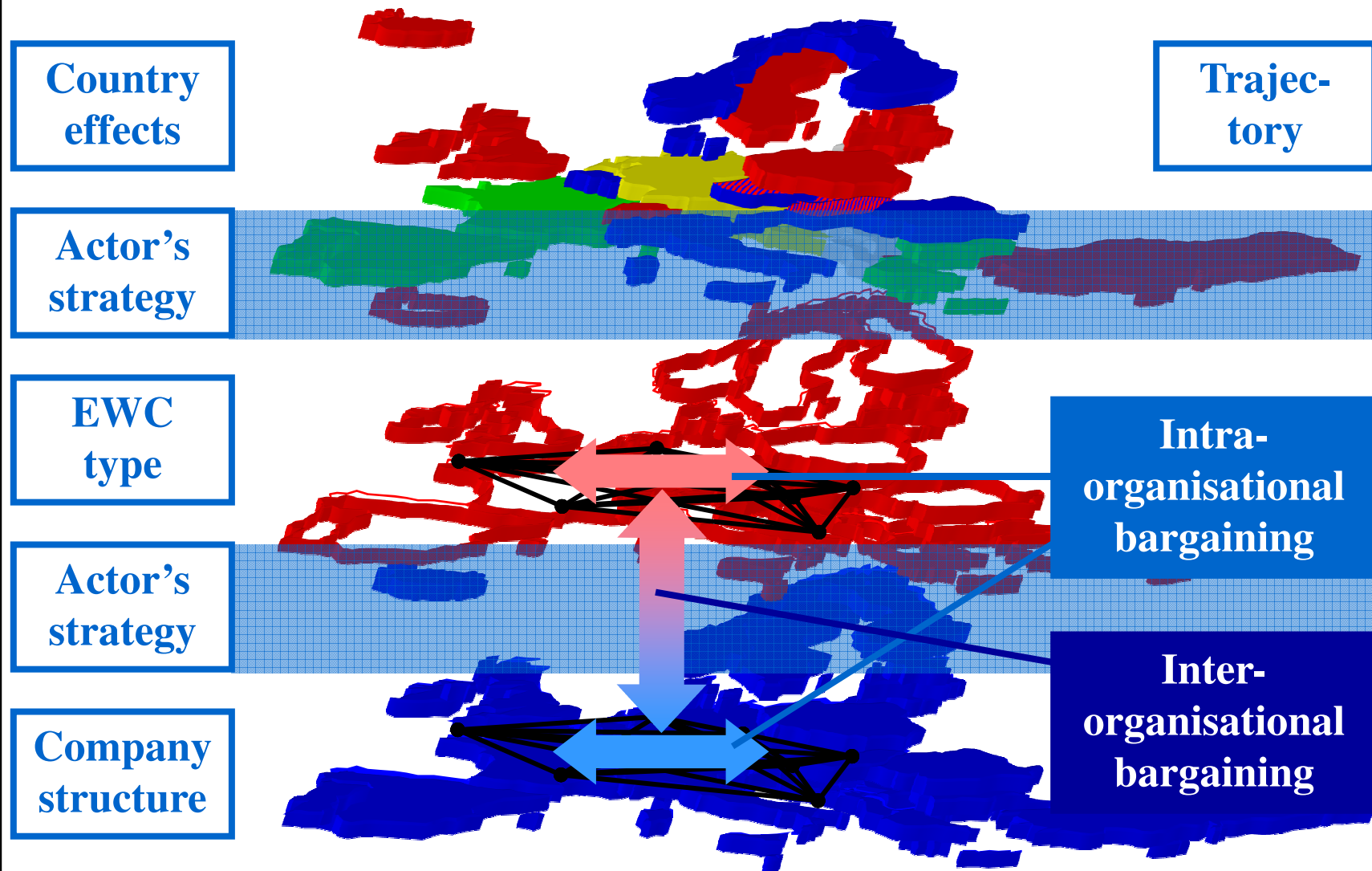
## 2. General research design

### National diversity of unions and plant level representation bodies (PLRB)



## 2. General research design

## EWCs in multi-level and multidimensional perspective





# EWC as a transnational interest organisation?

## PART 2



## EWC as a transnational interest organisation?

### Methodology:

- Case studies 6 companies – OEMs: DC, VW, GM, Ford, Renault, PSA
- Expert interviews with EWC members, managers, national und EU-level trade unions and employers associations
- Production sites in 5 EU-countries: Germany, France, GB, Spain, Poland



## EWC as a transnational interest organisation?

### Indicators to determine the type of the international company

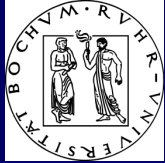
#### *Distribution (degree and type of internationalization)*

- basic production/site information: models and installed production volume, total investment and area size, production stages (body shop, painting, subassembly, assembly, supplier park, inputs/autoparts from which other (European) plants, brief history of site
- Employees in nation states /local sites
- Turnover / year in nation states /local sites
- production by models, capital expenditure in nation states /local sites

#### *Coordination / control*

- Decision competencies (strategically, concerning distribution of capacities, investment, personnel, knowledge) – operationalisation: amount of autonomous investment budget decisions at plant level, personnel recruitment decisions
- Intensity of inter-plant coordination of production
- Accountability, degree of dependency on headquarter decisions
- Exchange of managers: trajectory of local CEOs
- Nature of the functional relationship between company center and subsidiaries, e.g. supplier relationship vs. autonomous production





# EWC as a transnational interest organisation?

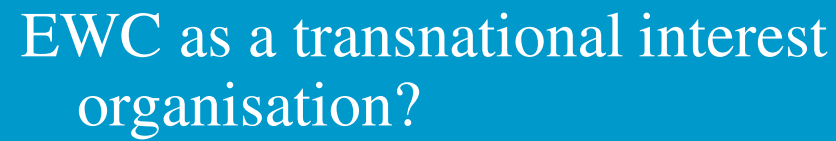
## Indicators to determine the type of the EWC

### *Distribution*

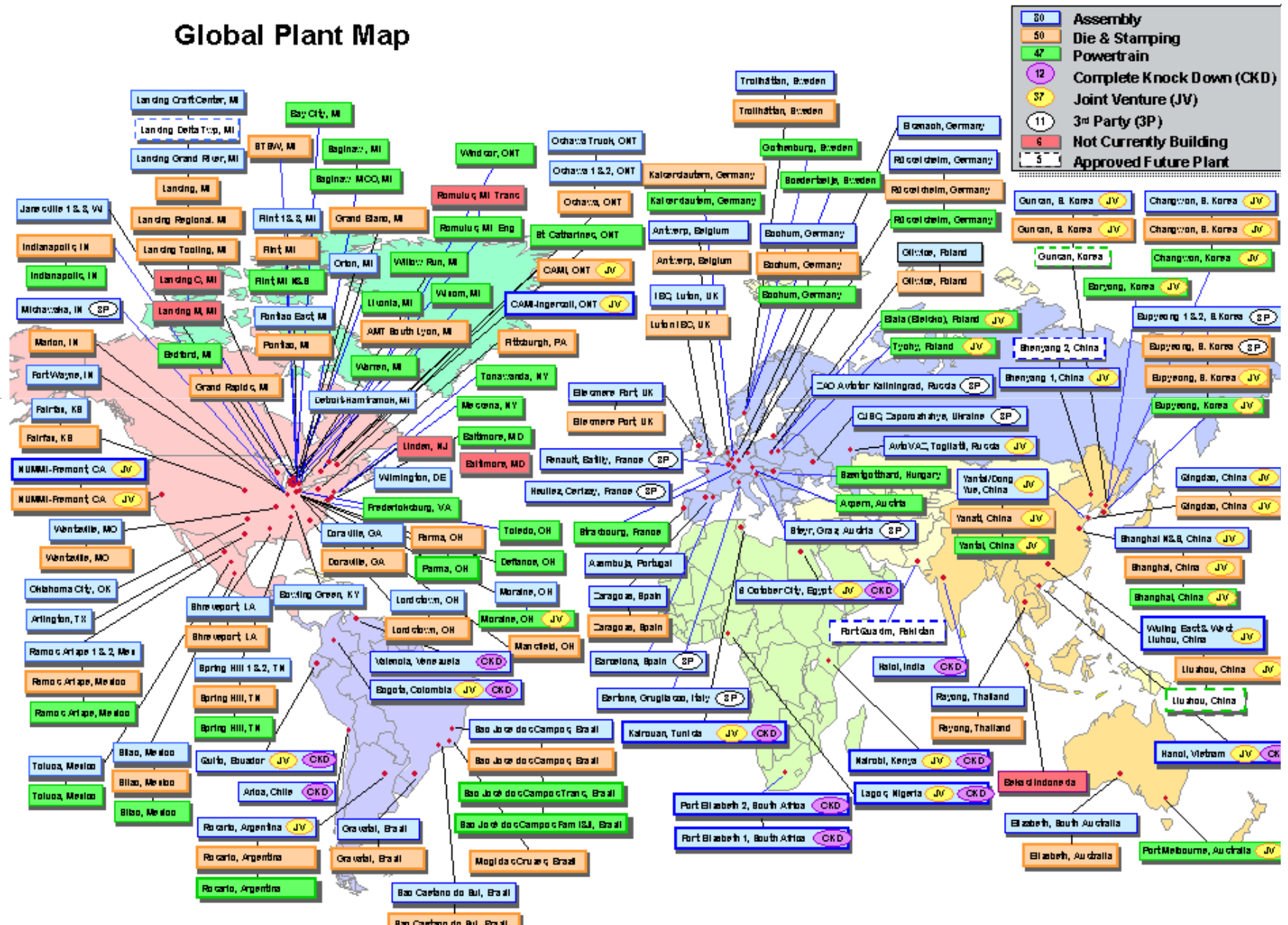
- Number of **members** and **distribution** over headquarter/subsidiaries
- Residence of **EWC-chair, steering committee** (composition, role)
- exclusion of certain sites/groups?

### *Coordination / control*

- Frequency of **meetings**, duration, topics treated, written memory circulated, intranet-site
- Preparation mode of meetings (papers and documents 2 weeks before?, translated?)
- **Communication** among EWC members **in-between meetings** (unilateral – multilateral; reciprocal/one-way?)
- **Resources** (translation, consultation, training), language courses, assistants for EWC activities, technical equipment
- **Decision-making process** within the EWC (centrally/one-sided – majority/minority veto-powers?)

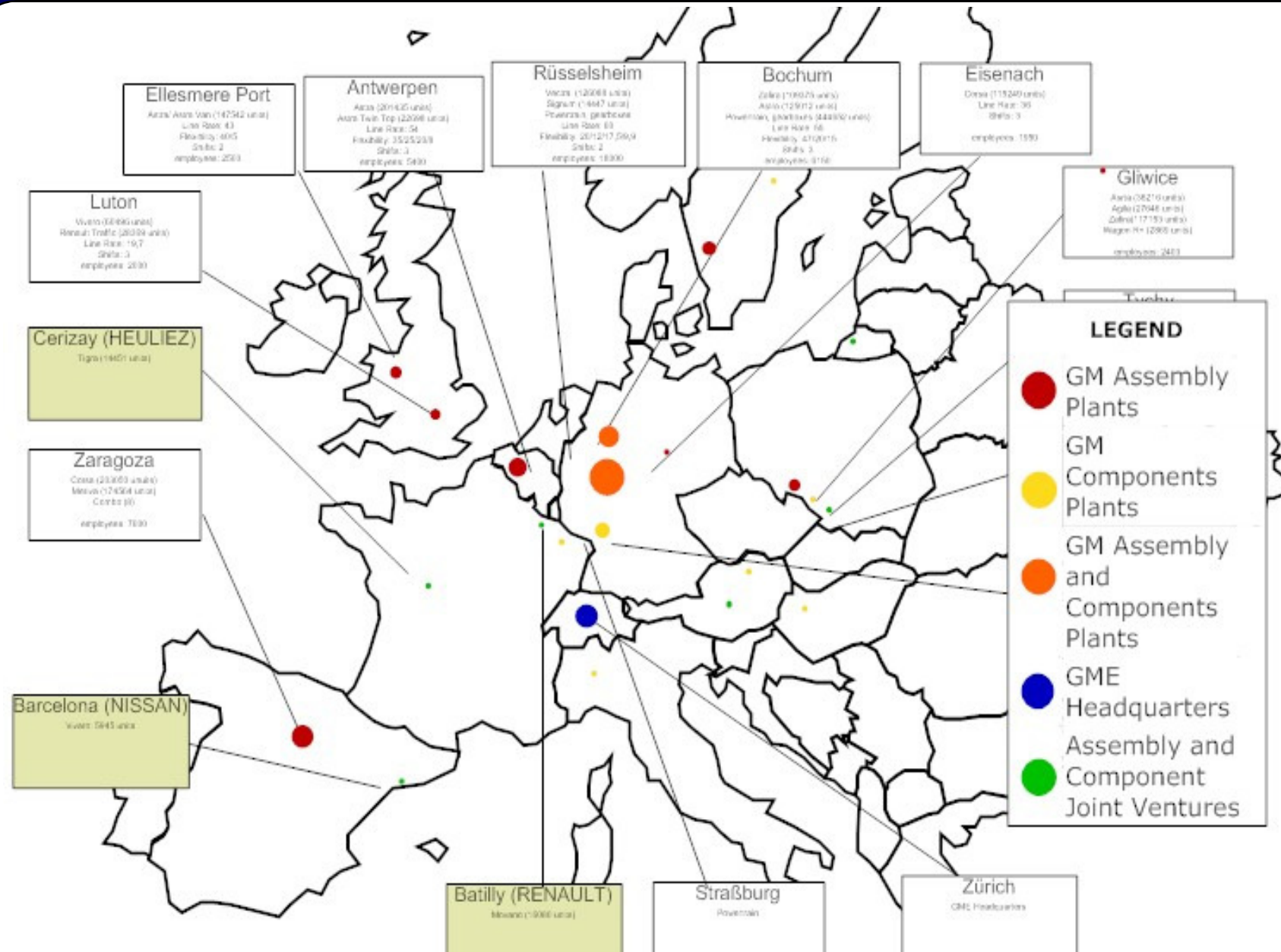


## Global Plant Map





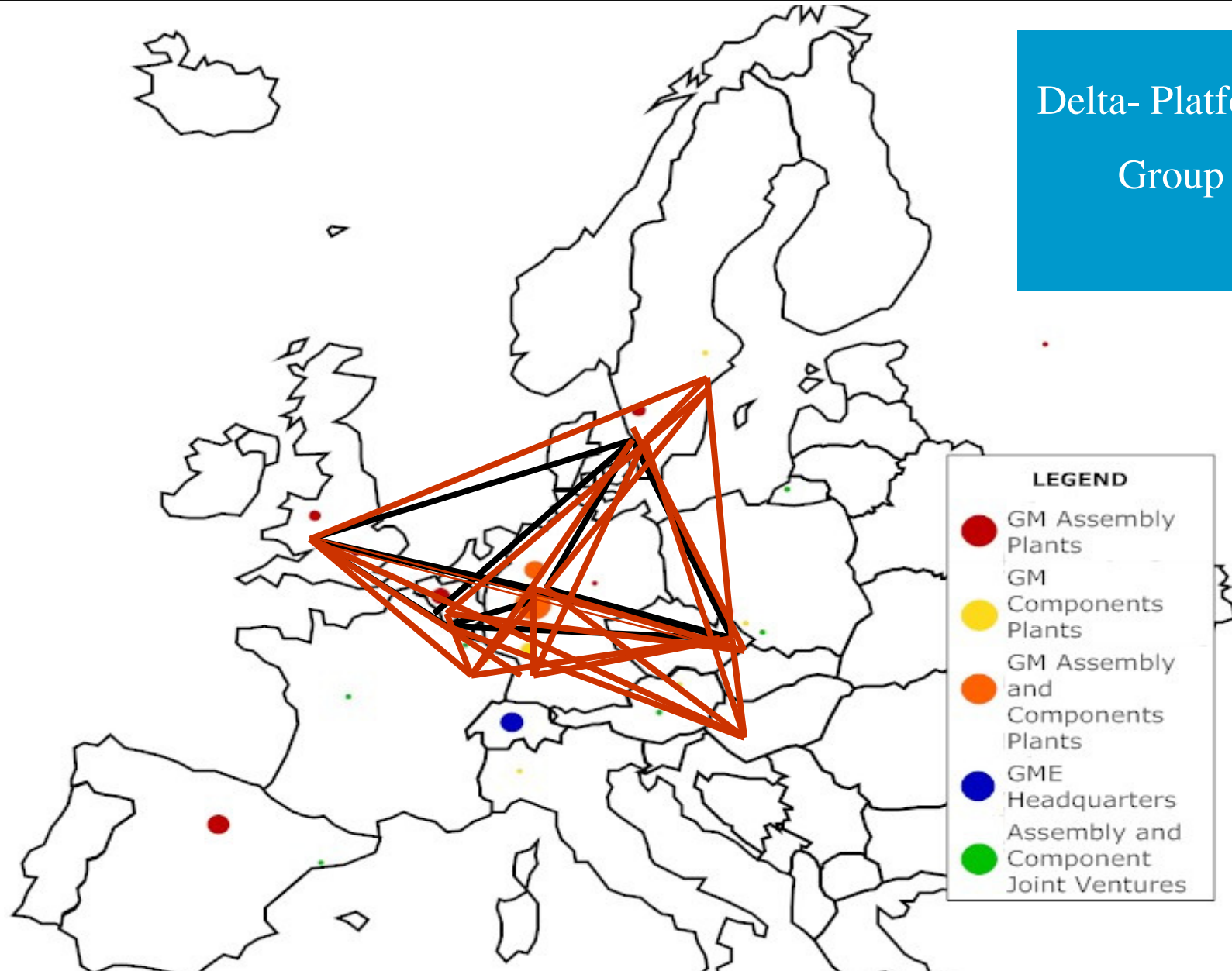
# EWC as a transnational interest organisation?





## EWC as a transnational interest organisation?

L. Pries - Ruhr-Universität Bochum - Lehrstuhl  
Organisationssoziologie & Mitbestimmungsforschung





# EWC as a transnational interest organisation?

## The Case of General Motors

### EWC structure and coordination

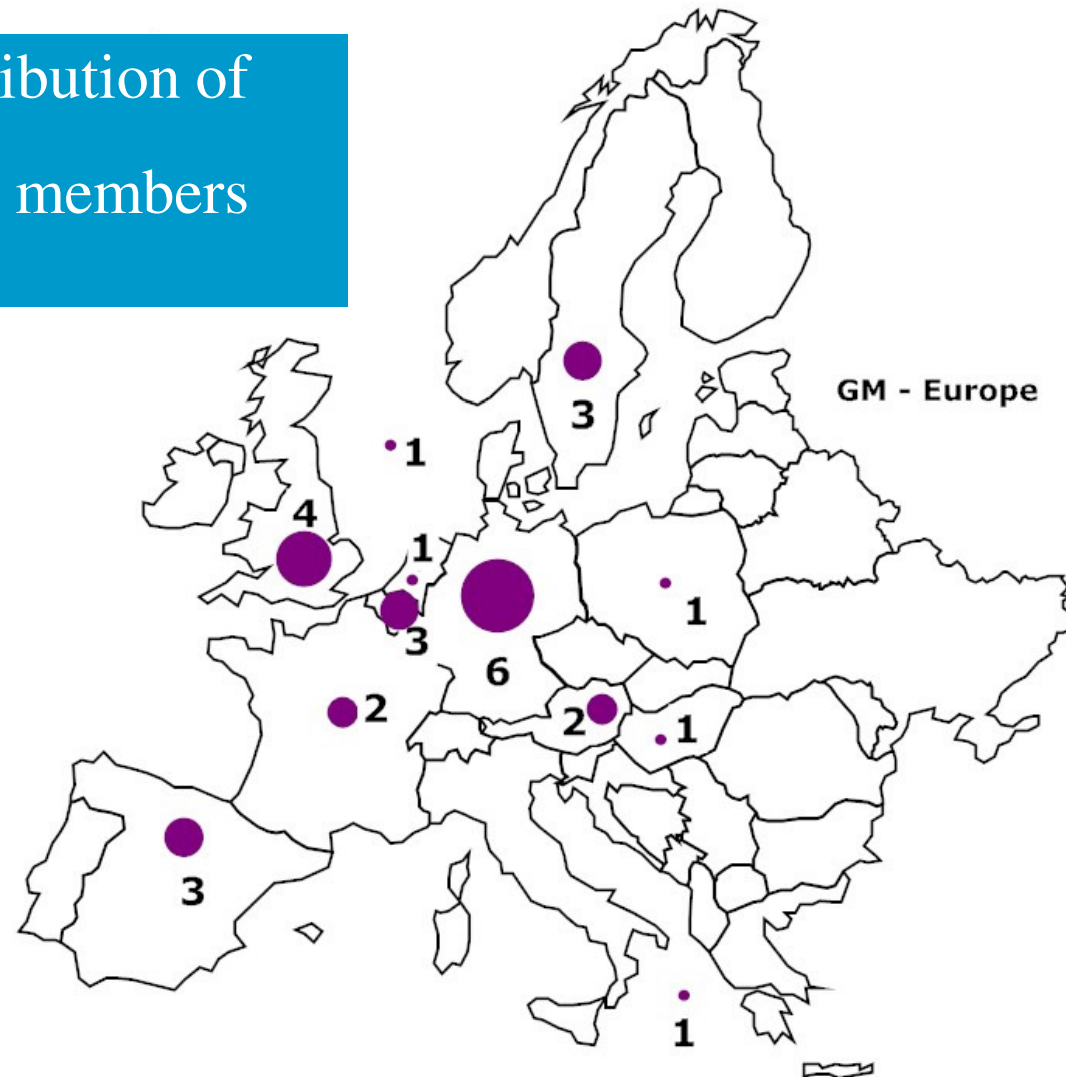
- “European Employment Forum” founded on Sept., 16<sup>th</sup> 1996 on voluntary basis
  - according to Belgium law (employees and management)
  - So far 4 Framework agreements concluded
  - Chairman: Klaus Franz – Chairman of German groups council
  - 3 Committees: Manufacturing Committee – 17 members  
Steering Committee: 6 members (Ger 2, Bel, Sp, UK, Sw 1)  
European Economic Council  
1 Working Group: Delta (representatives from 5 locations which produce on the basis of the Delta platform)
- Composition (29 members in total): Germany 6, UK 4, Sweden 3, Spain 3, Belgium 3, France 2, Austria 2, Poland 1, Hungary 1, Netherlands 1, South-East Cluster (Italy and Greece) 1, Northern Cluster (Ireland, Norway, Denmark and Finland) 1, (Portuguese seat vacated at the moment),
- Coordination – only little information available
- Strong direct communication and coordination between members of the Delta Group, few links between other members of the EEF, coordination mainly by Steering Committee
- Number of meetings: 3 times a year





# EWC as a transnational interest organisation?

## Distribution of EEF members





# EWC as a transnational interest organisation?

## The Case of GM:

### Distribution of production and employees (in %)

#### Workforce:

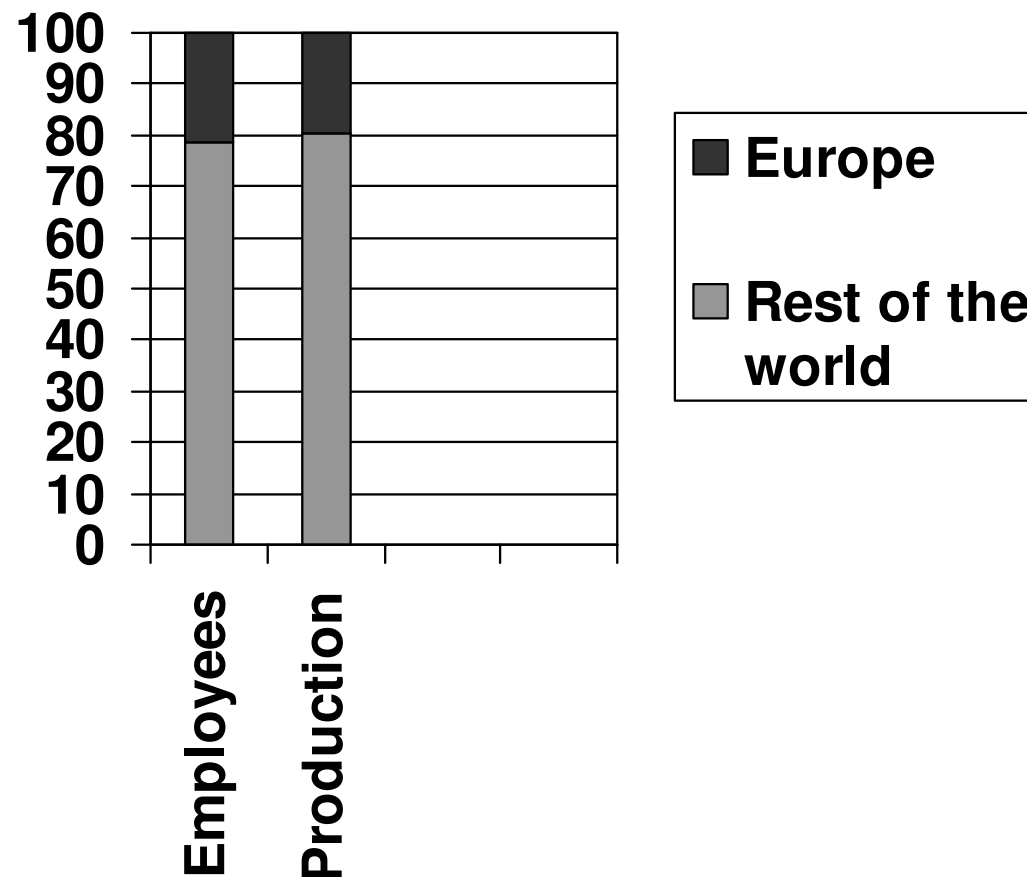
Europe: 60.500

Worldwide: 284.000

#### Production volume:

Europe: 1.794.580

Worldwide: 9.181.000





# EWC as a transnational interest organisation?

## The Case of Volkswagen Group

Some key figures:

	Europe	Worldwide (total)
Workforce	233.650 empl.	324.892 empl.
Production	3.687.297 veh.	5.211.413 veh.

- 32 production sites worldwide, 22 in Europe (68%)
- Delivered vehicles (2006): 5.740.000
- Produced vehicles (2006): 5.660.000  
(Passat/Santana 701.074 vehicles; 20,8%)  
(Golf : 693.673 vehicles; 20,8%)

Source: ETUI DB 2006; OICA 2005; Geschäftsbericht VW 2006





## EWC as a transnational interest organisation?

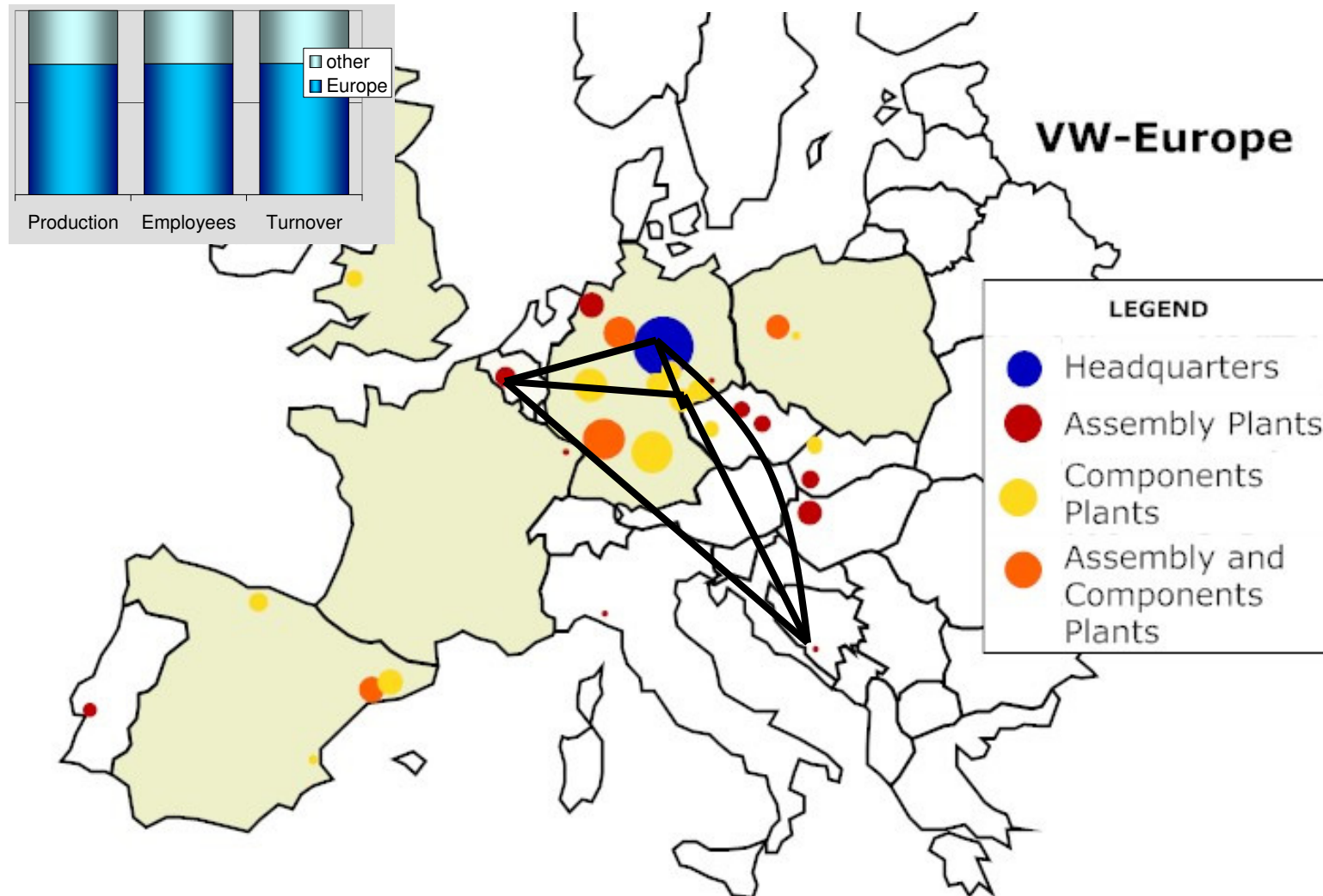


Volkswagen: Production facilities world-wide (share of total production)

(Source: VW Geschäftsbericht 2006)



# EWC as a transnational interest organisation?

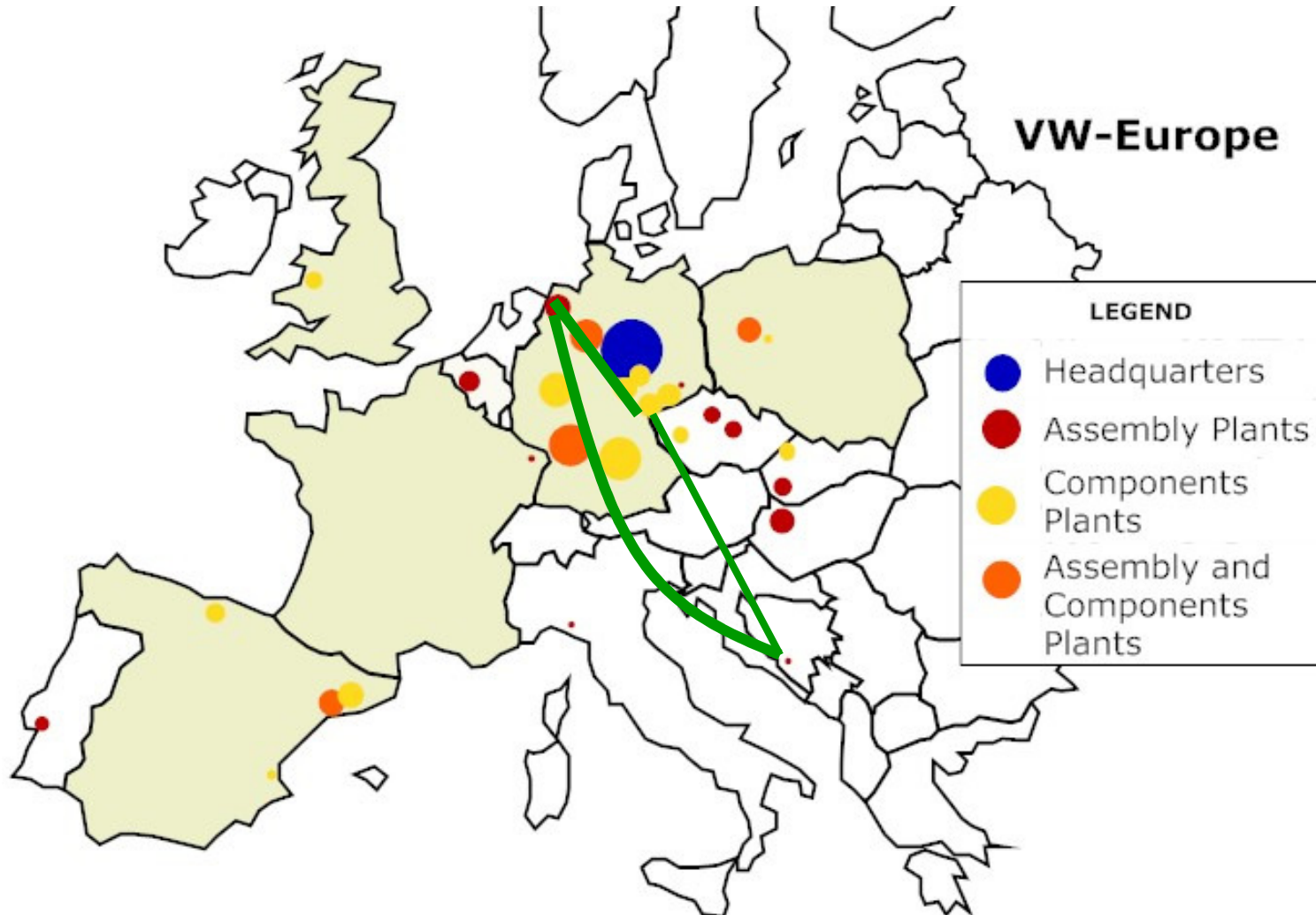


**Golf (2006: 693.673 vehicles; 20,8%)**

Wolfsburg (G); Brüssel (BE); Sarajevo (Bosnien-Herzegowina); Zwickau/Mosel (G);  
also: China (Anting, Chanchung)



## EWC as a transnational interest organisation?



**Passat/Santana (2006: 701.074 vehicles; 20,8%)**

Emden (G); Zwickau/Mosel (G); Sarajevo (Bosnien-Herzegowina); also: China (Anting, 11.000 empl.)



# EWC as a transnational interest organisation?

## The Case of Volkswagen Group

### EWC structure and coordination

- “EKBR” founded in 1990 (recognized by management in 1992; WWC 1999 installation agreement)
- German model of co-determination – “co-management” at VW: close interaction between management and EWC (“joint cooperative problem solving”)
- German dominance (EWC president, steering committee, General Secretary), but principles of solidarity (Polo conflict 1986-88; SEAT crisis 1993)

### Distribution of members (2002: 25)

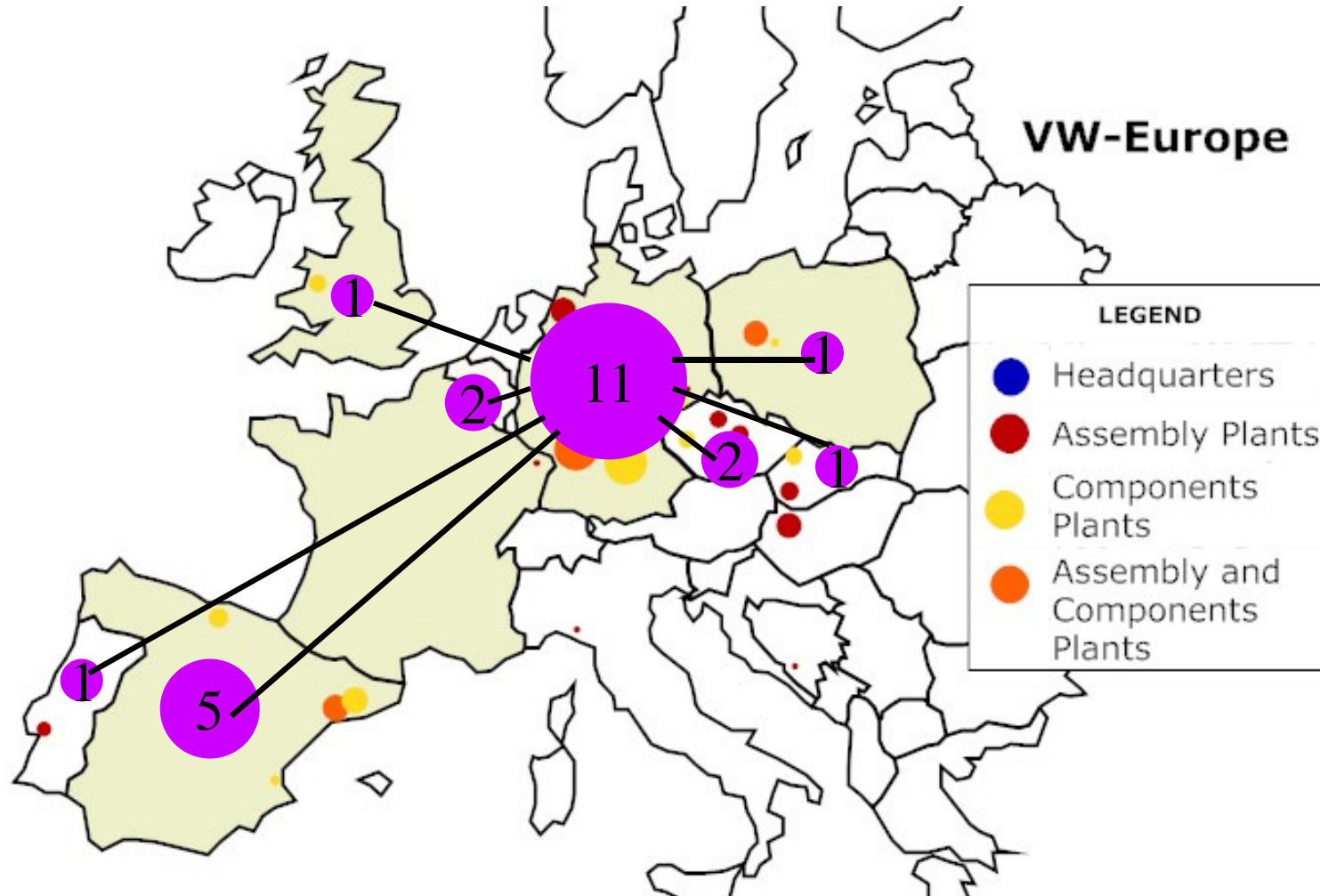
- Composition: Germany 11, Spain 5, Poland 1, GB 1, Belgium 2, Czech Rep. 2, Slovak Rep. 1, Portugal 1, Service Companies Committee spokesperson 1 (ETUI DB 2006)

### Coordination – only little information available

- Former studies: Dominance of German part; communication in-between meetings centralized (secretary) (Helbig 1998)



## EWC as a transnational interest organisation?



EWC (2002: 25 seats; 8 countries)