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Employee representation and consultative voice in multinational companies operating in Britain

ABSTRACT

MNCs from different countries of origin are widely held to have distinct preferences regarding the presence of employee representative structures and the form that employee 'voice' over management decisions takes. Such preferences are said to derive from the national models which prevail in the different countries of origin in which MNCs are based. Findings from a large-scale survey of the UK operations of MNCs indicate that country-of-origin influences on patterns of employee representation and emphasis on direct or indirect channels of employee 'voice' are attenuated by other factors, notably sector and method of growth. They also reveal significant recent innovation in representation and voice arrangements by this key group of employers.

1. Introduction

Multinational companies (MNCs) from different countries of origin are widely held to have differing preferences over arrangements for employee voice: union representation, non-union representation or none at all; indirect or direct forms of consultative voice. Studies have established the distinctiveness of voice arrangements in their British operations of MNCs headquartered in the US (e.g. Ferner et al, 2005), Japan (e.g. Wilkinson et al, 1993) and Germany (e.g. Tüselmann et al, 2005) as compared with domestic practice. Yet none has examined the practice of MNCs based in a range of major countries within a single host environment. The paper draws on original UK survey data to do so.

Britain offers a pertinent environment to examine the ‘home country’ influences which shape MNC preferences. It is a large, internationally open economy characterised by substantial flows of inwards and outwards foreign direct investment (FDI) over a sustained period, resulting in stocks which account for 10 per cent of the global total (UN, 2007). These flows have accelerated markedly in recent years, reflecting an upsurge in cross-border mergers and acquisitions (Edwards and Walsh, 2008), and the proportion of the UK’s manufacturing workforce employed by overseas-owned MNCs has jumped from 19 per cent in 2000 to 27 in 2005 (OECD, 2007). As a major ‘liberal market’ economy (Hall and Soskice, 2001), Britain’s institutional arrangements are relatively permissive of variation in industrial relations practice, including employee voice arrangements. Given the political-economic context prevailing since the mid-1980s, (multinational) employers may have become less constrained than hitherto in implementing their preferences. Reviewing developments in the main Anglophone countries including Britain, Purcell and Georgiadis (2007: 182) conclude that ‘[t]he future of employee voice is largely in the hands of employers’. Furthermore, the UK is emblematic of the two main current trends in employee voice arrangements characterising these economies: a widespread decline in union presence within firms, and the rise of direct forms of employee involvement.

The paper reports and analyses findings of a large-scale survey of employment practice, based on interviews with senior HR executives, in three hundred MNCs with operations in Britain. It investigates variation between MNCs headquartered in different parts of Europe, as well as those based in Japan and the US. Two issues are addressed: patterns of representation, distinguishing between union and non-union structures, and recent changes therein; and the presence of indirect

and direct forms of consultative voice and, where both exist, the relative emphasis accorded to them. Section 2 establishes key conceptual distinctions in operationalising employee voice, summarises recent developments in Britain, reviews existing studies of the impact of MNCs from different countries of origin on practice and develops two main propositions. The survey of MNCs' employment practice and the data the paper draws on are introduced in section 3. Section 4 reports findings and the results of logistic regression analysis. The country-of-origin influences anticipated are not all confirmed, and significant intra-model variation, arising from the effects of sector and method of corporate growth, is identified. Section 5 discusses the implications and concludes.

2. Employee voice: bringing in the multinational factor

Employee representation and consultative voice

Employee voice entails the presence of institutions or processes which facilitate two-way communication between management and employees. Freeman and Medoff's (1984) application to relations between firms and their workers of Hirschman's (1971) exit-voice theory of consumer behaviour focused solely on union representation in institutionalising employee voice. More recent work recognises the diversity that voice arrangements take, including non-union as well as union representation and direct as well as indirect (representative-based) forms of employee participation (Bryson, 2004; Freeman et al., 2007). Accordingly,

We understand employee voice as incorporating representative voice and various forms of participation developed directly between management and workers. (Freeman et al., 2007: 3).

Although the precise operationalisation of employee voice varies in the extensive recent literature on practice in Britain (Brewster et al, 2007; Bryson, 2004; Bryson and Freeman, 2007; Millward et al, 2000; Willman et al, 2006) two key distinctions are apparent. The first concerns the existence of *employee representation* arrangements, and where present the distinction between those organisations which recognise trade unions and those with non-union structures of representation. The second addresses the nature of *consultative voice*. Indirect consultative voice occurs through representative arrangements, including union structures, joint consultative

committees (which can be union and/or non-union based) or non-union structures such as company councils. Direct channels of consultative voice are constituted by two-way mechanisms of employee communication and involvement, such as team briefing, quality circles and ‘town hall’ meetings between managers and the workforce (Bryson, 2004; Freeman et al., 2007; Millward et al., 2000).

Recent studies have mapped significant change on both dimensions across the advanced Anglophone economies. Purcell and Georgiadis (2007) identify two common trends: a widespread decline in union membership and representation; and a marked growth in employers’ use of direct forms of employee involvement. In Britain, findings from the 2004 Workplace Employment Relations Survey (WERS) reveal that alongside a further decline in union representation since the 1998 WERS has come a ‘growing heterogeneity of representational forms within British workplaces’ (Charlwood and Terry, 2007: 335). This includes non-union structures and hybrid arrangements combining union and non-union representation. WERS2004 also found a shift in the mix of channels through which consultative voice is exercised, with a decline in the proportion of workplaces covered by a joint consultative committee and an increase in the already high proportion of workplaces utilising one or more two-way forms of direct, employee involvement (Kersley et al, 2005). The decline in indirect forms of consultation is all the more striking given the prospective implementation of the UK’s Information and Consultation of Employees (ICE) legislation, which came into effect in April 2005.

These marked changes draw attention to the role of employer preferences in shaping arrangements for employee voice, to which the literature has given ‘insufficient attention’ (Bryson et al., 2006: 280). Employers have ‘decided preferences’ on the presence and form of voice regime, continue Bryson et al. (2006), and scope to act on these in a country such as Britain with (until recently) little legal prescription. Even under the ICE legislation, the initiative as to whether to respond and the choice over the form of any consultative arrangement established lies largely with the employer (Hall et al., 2007)ⁱ.

From a theoretical perspective, these shifts in voice practice can be located in inherent features of different types of voice arrangement which act to shape employer preferences (Bryson, 2004). Union representation involves an independent party in voice arrangements, and therefore requires management to cede a measure of its decision-making prerogative. Against this, by

acting as the agent of collective voice, unions can reduce the costs to the employer incurred by the exit of otherwise dissatisfied workers and, by involving employees, improve the quality of work-related decisions (Freeman and Medoff, 1984). Non-union forms of representation are conceptualised as a form of 'union substitution', which can secure the benefits of collective voice whilst not having to cede authority to an independent party (Purcell and Georgiadis, 2007). According to Bryson (2004), HRM theorists (e.g. Storey, 1992) contend that direct voice will be more effective voice in reducing exit and improving work-related decisions since representative arrangements create a barrier between managers and employees, and fail to reflect heterogeneity in worker interests. In practice these different forms of employee voice co-exist - direct voice mechanisms are found in the majority of unionised British workplaces, whilst indirect consultative mechanisms are more widespread where unions are present (Bryson, 2004) -- suggesting that employers may secure complementarities from a dual or multi track approach.

Multinationals and employee voice

Bringing multinational employers into the picture adds a further dimension to consideration of employer choice. A core issue in debates over their impact on employment practice in host environments has been the extent to which MNCs seek to innovate, through inwards diffusion of home country practices, or to adapt to prevailing practice locally. Because of their embeddedness in national institutions, including frameworks of labour law, employee representation and indirect channels of consultative voice have been regarded as matters more constrained to local adaptation than direct channels of employee involvement, seen as more open to innovation (Ferner, 1997). In the context of contemporary Britain, however, the growing heterogeneity of representative arrangements, minority coverage of both union representation and indirect consultative arrangements and permissive framing of the ICE legislation, suggest that these more institutionally embedded features might also now be open to innovation by MNCs.

Concerning the nature of such innovation, preferences are seen to be shaped by the institutions governing the practice of employee representation and consultative voice in MNCs' domestic environments (Almond et al., 2005): institutions which form part of an inter-locking set which variously define the specific characteristics of different 'national business systems' (Whitley, 1999). Almond et al (2005: 277) stress, however, that these preferences 'may [have to] be modified to fit the institutional context of various host countries'. In addition, preferences may

differ amongst MNCs from a given country of origin, reflecting the important of distinctive variants within national business systems, and associated different approaches to employee representation and consultative voice, giving rise to 'intra-model' variation (Almond and Ferner, 2006).

In addition, there is a potential asymmetry between MNCs headquartered in countries such as the US, with a tradition of anti-unionism, and those based in the countries of continental western Europe, which provide institutional and legal support to collective employee representation and consultation, in choice of voice practice in an institutionally permissive host environment such as the UK. Whereas the former may well be inclined to replicate domestic US practice, the latter may see an opportunity to escape constraints which domestic environments are perceived to impose (Meardi et al., 2009) and experiment with different, Anglo-American practice (Ferner and Varul, 2000).

Existing research on the voice practice of MNCs has largely focused on the foreign operations of multinationals headquartered in a handful of countries: the US above all, Japan, Germany and the UK. Less is known about the approaches of MNCs based in other parts of Europe: indeed survey-based studies have tended to treat Europe as a homogeneous block (XXXX, 2007).

Investigation has also tended to focus on employee representation, less so on consultative voice. In particular, 'although there is increased recognition that multiple [voice] channels may be the norm' (Wood and Fenton-O'Creevy, 2005: 29), and the relationship between direct and indirect forms of consultative voice has been addressed in several recent studies (Brewster et al., 2007; Bryson, 2004; Millward et al., 2000), the relative balance between the two forms has not been examined through the prism of the practice of MNCs based in different countries. Wood and Fenton-O'Creevy (2005) examine the balance amongst MNCs based in a single country across a range of host environments.

US-based MNCs have 'long been associated with hostility to unions in their foreign operations' (Ferner et al, 2005: 703), reflecting the anti-unionism of major variants – union avoidance 'low road' and union substitution 'HRM' - of the American business model (Almond and Ferner, 2006). Under the American system there is little scope for non-union forms of representation (LeRoy, 2006), which has translated into 'a marked preference for non-collective employee representation' (Colling et al., 2006: 96) including direct forms of employee involvement.

Empirically, the imprint of the American model on the practice of US-owned MNCs is confirmed by the comparatively high incidence of non-unionism amongst their operations in Britain reported in a number of previous surveys (reviewed by Ferner et al., 2005). Yet, amongst the operations of US-based MNCs in Britain, Colling et al. (2006) detect a measure of pragmatism: union recognition being accepted in many of the manufacturing operations they studied. They draw attention to ‘intra-model’ variation according to sectoral norms and age of subsidiary. Such variation is consistent with the idea of heterogeneity amongst firms rooted in different variants of the American business system (Almond and Ferner, 2006; Katz and Darbishire, 2000).

Japanese-owned MNCs are generally held to have a preference for a (single) enterprise union or (non-union) company council, reflecting the company union model that prevails in Japan. Consistent too with long-established practices of direct employee involvement in Japanese production, the use of mechanisms such as team briefings and quality circles is expected to be prominent in the foreign operations of Japanese MNCs (Guest and Hoque, 1996; Wilkinson et al., 1993). Wilkinson et al.’s survey of operations of Japanese-owned manufacturing MNCs in Wales found union recognition at almost all, which took the form of a single union agreement in the great majority. Almost all had also established non-union based consultative forums. Other studies of Japanese MNCs in Britain confirm that they pursue a dual track approach to consultative voice, being more likely than either US-based MNCs or local firms to have representative-based forms of voice and to make use of team briefings and quality circles (Guest and Hoque, 1996; Wood, 1996). In contrast, and pointing to intra-model variation, the Japanese-owned manufacturing plants in Elger and Smith’s (2005) in-depth study were predominantly non-union and use of direct forms of employee involvement limited.

The German model is characterised by dual channel employee representation, with unions representing workers in multi-employer collective bargaining and works councils, with extensive powers of consultation and codetermination, representing worker interests within the firm. The diversified quality production which became the hallmark of the German industrial model (Streeck, 1992), rested on extensive employee involvement; more recently expressed in the combination of direct consultation practices with the established tradition of indirect consultation (Tüselmann et al., 2005). In a major survey of the UK operations of German-based MNCs, compared against a reference group of American-owned counterparts, Tüselmann et al (2005)

identify the translation of this modified German model into the British context: union recognition is combined with widespread take-up of direct consultation practices. German-based MNCs are more likely to recognise trade unions than their US-based counterparts but display an equivalent incidence of direct consultative practices. Ferner and Varul (2000) draw attention to the existence of intra-model variation, in the form of non-unionism amongst some UK operations of German-owned MNCs, locating it in the devolution of responsibility for IR policy to subsidiary managers and associated scope for experimentation with currently dominant, Anglo-American business.

Sweden's single channel system is characterised by high levels of union representation, which ensure the basis for trade union-based consultative voice within firms. Delegated forms of work organisation, resting on group-based forms of employee participation, constitute a further distinctive feature. The continued salience of these features is confirmed by recent survey evidence (Brewster et al., 2007; Gill and Krieger, 2000). Data on the voice practices of Swedish multinationals overseas is limited, although a study of employee involvement practices in three smaller-sized MNCs found that direct forms of voice tended to be transferred to the UK operations but not indirect forms (Andersen, 2006). The opportunity to escape perceived constraints on voice arrangements at home and/or to experiment with Anglo-American practice may also be attractive to some Swedish MNCs.

In France, legislative support is given to a plurality of representative forms within firms, both union- and workforce-based. Consultative structures are mandatory in firms employing at least 50 (Tchobanian, 1995). In practice, union representation is a minority phenomenon amongst firms, reflecting low levels of union membership, although other forms of employee representation are widespread. Consultative structures are found in four out of every five firms. Direct forms of employee consultative voice, however, are less widespread than in many other European countries (Gill and Krieger, 2000; Tchobanian, 1995). There is little available evidence on voice practices in the overseas operations of French-owned MNCs, although French multinationals have been prominent in extending the practice of social dialogue through consultative structures to European- and global-levels (Contrepois et al., 2007). A study of the central eastern European operations of prominent French MNCs reports, however, that representation and indirect consultation tend only to be found where companies have acquired brownfield sites with pre-existing arrangements (Contrepois et al., 2007).

Britain's single-channel system of employee representation has rested on voluntary recognition of trade unions by employers. Recent trends and developments in employee representation and consultative voice are outlined above. In the early 1990s, UK-based MNCs were found to be somewhat more likely to recognise trade unions in their UK operations than their overseas-owned counterparts, with the reverse being the case for direct forms of employee voice (Marginson et al, 1993). There was no difference in the incidence of indirect consultative voice. Investigating representation and voice arrangements in the European operations (including Britain) of 25 UK-based MNCs a decade later, Wood and Fenton-O'Creevy (2005) found that two-thirds had union and/or non-union representation arrangements. Direct forms of consultative voice were utilised in three-quarters, including 32% which relied on these solely. Although the two surveys are not directly comparable, the findings of the second suggest that consultative voice practice amongst UK-based MNCs has shifted since the first was undertaken.

This review of extant findings provides the basis for two main propositions, to be empirically examined. The first relates to the presence and form of employee representative structures whilst the second concerns the relative emphasis management accords to direct or indirect forms of consultative voice. The sub-propositions relating to MNCs based in continental western Europe need to be framed more tentatively than those for American-, Japanese- and UK-based multinationals: first, since the former may see the UK's institutional environment as offering the possibility to escape the constraints of, rather than inwardly transfer, domestic voice practice; and second because of the relative lack of previous evidence.

Proposition A: Patterns of employee representation will differ between the operations of MNCs based in different countries, reflecting differences in their domestic systems. In particular:

- 1) US-owned MNCs will be comparatively less likely to have representative arrangements, either union or non-union;*
- 2) Japanese-owned MNCs will be comparatively more likely to have representative arrangements, either union or non-union;*
- 3) German-owned MNCs may be comparatively more likely to have union-based representative arrangements;*

- 4) *Swedish-owned MNCs may also be comparatively more likely to have union-based representative arrangements;*
- 5) *French-owned MNCs may be comparatively more likely to have representative arrangements, either union or non-union*
- 6) *UK-owned MNCs will be comparatively more likely to have representative arrangements, either union or non-union.*

Proposition B: The relative emphasis placed on direct or indirect forms of consultative voice will differ between the operations of MNCs based in different countries, reflecting differences in their domestic systems. In particular:

- 1) *US-owned MNCs will emphasise direct forms;*
- 2) *Japanese-owned MNCs will place equal emphasis on both forms;*
- 3) *German-owned MNCs may either emphasise indirect forms or place equivalent emphasis on both*
- 4) *Swedish-owned MNCs may place equivalent emphasis on both forms;*
- 5) *French MNCs may emphasise indirect forms;*
- 6) *UK-owned MNCs will emphasise direct forms.*

A counterfactual in the case of either proposition is that intra-model variation may dampen country-of-origin influences. The foregoing review suggests that factors such as sector, age of subsidiary and company strategy are also likely to influence patterns of employee representation and the relative emphasis between direct and indirect channels of consultation. Consideration of intra-model variation leads to two further propositions:

Proposition C: Differences in patterns of employee representation according to the country of origin of MNCs will be attenuated by other factors, such as sector, age of subsidiary and company strategy.

Proposition D: Differences in the relative emphasis on direct or indirect forms of consultation according to the country of origin of MNCs will be attenuated by other factors, such as sector, age of subsidiary and company strategy.

3. Data

The data come from a large-scale, 2006 survey of employment practice in the operations of 302 MNCs in the UK involving a structured interview with a senior HR executive. The achieved sample exceeds that of most surveys of employment practice amongst multinationals (XXXX, 2007), and allows comparison of MNCs from different countries of origin, including intra-European variation, within the same host environment. MNCs with at least 500 employees worldwide were covered: for overseas-owned companies, the survey required them to also have at least 100 employees in their UK operation; for UK-owned multinationals the equivalent was an operation employing at least 100 in another country.

The survey was based on a listing of the population compiled by the authors, the most comprehensive available, and involved two stages. XXXX (2007) provide details of the design and methods. First, a short screening questionnaire was administered by telephone to companies provisionally identified as multinationals in the population listing. Of the 1419 companies where calls were successfully completed, one in three did not meet the size criteria. Non-response complicates calculation of the response rate: for the first stage it was an estimated 54 per cent (XXXX, 2007)ⁱⁱ. Second, a face-to-face structured interview with a senior HR manager in the UK operationsⁱⁱⁱ was undertaken, addressing a range of human resource and industrial relations practice. Interviews were sought from the 903 MNCs confirmed as conforming to the survey's size criteria, and were successfully completed in 302 multinationals representing just over one-third^{iv}. Attaining this total was assisted by a letter of endorsement, indicating the relevance of the study's aims to HR practitioners, from the UK's main professional organisation – the Chartered Institute for Personnel and Development (CIPD). Representativeness checks between the two stages of the survey revealed similar profiles according to country-of-origin and employment size, but indicated slight under-representation of service sector MNCs in the main survey as compared to the screener. To correct for this, the main survey findings have been weighted to reflect the sector profile of the screener sample^v.

The fieldwork at both stages was undertaken by a professional survey agency, contracted by the researchers, i.e. the authors, in a manner similar to that employed in realising Britain's WERS series (see Kersley et al., 2005: 328-34). Access was secured and interviews arranged by the

agency, using a letter from the researchers outlining the aims of the study and requesting cooperation together with the CIPD endorsement. The face-to-face interviews were conducted by some twenty of the agency's professionally-trained interviewers. In addition to their training, consistency of approach across interviews - and interviewers - was ensured by the use of CAPI technology, the preparation of detailed guidelines on administering the survey instrument, interviewer briefings – involving the researchers – prior to fieldwork, and consistency checks on the resulting dataset. CAPI streamlines the administration of the complex, structured questionnaire, cross-checks responses for consistency during the course of interviews and records and stores data instantly. Throughout the process there was liaison between the researchers and the agency.

Employee voice arrangements were one of four areas of employment practice addressed in the survey. Questioning focused on practice for the largest occupational group (LOG) amongst non-managerial employees in the UK operation. Concerning employee representation, respondents were initially asked 'Thinking of the LOG in the [name of the MNC's UK operation], are trade unions recognised for the purposes of collective representation?'. Those respondents answering that unions were recognised at some, but not all sites, were then asked about non-union sites: 'Is/are there any non-union based structure(s) of collective employee representation for the LOG?'. An identical question was asked of the respondents answering that there was no union recognition at any site. Section 4 gives descriptive statistics summarising responses.

Consistent with recent studies of employee voice (Bryson, 2004; Willman et al., 2006), the presence of direct consultative voice was taken as being indicated by the use of at least one of four two-way mechanisms for employee communication and involvement. A first question asked 'Which of the following mechanisms do you regularly use to communicate with the LOG within [the name of the MNC's UK operation]?' and specified eight options, of which six were one-way and two two-way mechanisms: i) 'meetings of senior managers and the whole workforce'; ii) 'meetings between line managers and employees (sometimes called briefing groups)'^{vi}. A second question asked about employee involvement on the job: 'Could you tell me whether you use ... iii) groups where employees discuss issues of quality, production or service delivery such as problem-solving or continuous improvement groups'; iv) 'formally designated teams in which employees have responsibility for organising their work and carrying out a set of tasks'.

Turning to indirect consultative voice, respondents were asked about arrangements at UK company and site levels. Respondents were first asked ‘Are regular meetings held between management and representatives of employees at this level of [name of the MNC’s UK operation] for the purposes of information provision and consultation?’, and then asked: ‘Are regular meetings held between management and employee representatives of employees at lower levels of [name of the MNC’s UK operation] which are primarily concerned with information provision and consultation?’. Joint consultative committees and company councils were mentioned as examples, ‘regular’ was defined as ‘more than once a year’ and ‘lower levels’ was clarified as meaning site level or several, but not all, sites.

Respondents reporting the use of two-way direct mechanisms *and* representative-based, consultative meetings at either or both levels were asked a further question about management policy towards the two channels of consultative voice: ‘Which of the following statements best describes management’s relative emphasis in [name of the MNC’s UK operation] on mechanisms for communicating and consulting with employees?’. Three statements were specified: i) ‘emphasis on direct communication and consultation’; ii) ‘emphasis on indirect communication and consultation (e.g. through joint consultative committee or company council)’; or iii) ‘equivalent emphasis on direct and indirect communication and consultation’. Descriptive findings from this sequence of questions are presented in section 4.

The country of origin of each MNC was identified, defined as the country where the operational headquarters of the worldwide company was located^{vii}. The cell sizes required to undertake viable analysis necessitated the grouping of some countries of origin into three larger geographical clusters. Specifically, companies were categorised into eight groups: the US, France, Germany, Japan and the UK, the Nordic countries, the rest of Europe and the rest of the world. Concerning the Nordic cluster, the number of Swedish-based MNCs was too small for viable analysis. Given broad similarity in key aspects of voice arrangements in the four Nordic countries - high levels of union presence within companies, and trade-union based indirect consultative voice - the nine Swedish-owned MNCs were grouped with five Danish-, five Finnish- and three Norwegian-owned companies. The rest of Europe and rest of the world clusters are more residual in nature, although there are grounds for differentiating two groups. A defining feature of industrial relations in nearly all European countries when viewed in global perspective, and one that influences the practice of European-based MNCs, is the presence of

arrangements for representative-based consultative voice within companies (Marginson and Sisson, 2004). Elsewhere in the world, and especially in the non-European Anglophone countries which accounted for 15 of the 18 cases concerned, there is no such tradition.

Section 2's consideration of the potential influence of country of origin on employee representation and consultative voice arrangements drew attention to the intra-model variation uncovered by some studies. The survey did not address heterogeneity of management style associated with the main variants of a given national business model; at best this can be indirectly inferred from differences in other variables such as sector and date of establishment (vintage). Nonetheless it contains data on a range of demographic variables, including sector and vintage, and measures of corporate strategy which are likely to influence voice arrangements and thereby constitute sources of intra-model variation. The anticipated influence, if any, of each of these factors on the two dimensions of voice addressed is briefly considered.

Sector. Differences can be expected across the three broad industrial sectors identified: manufacturing, other production and services. In particular, union organisation is longer established and more widespread in manufacturing than services (Dølvik, 2001), a distinction which also amongst US-owned MNCs reflects the enduring influence of different variants of the American business model (Ferner et al, 2005). In turn, manufacturing MNCs are also likely to place greater emphasis on indirect forms of consultative voice, than their service sector counterparts.

Employment Size. The survey asked about the number employed in the UK operations. Representative structures, either union or non-union based, might be more common in larger than smaller sized UK operations (Marginson et al., 1993); larger UK operations might also be more likely to emphasise indirect forms of consultative voice.

Vintage. If the political and economic context now prevailing in the UK is less constraining than hitherto, MNCs which have established operations in the UK more recently may enjoy more scope to establish non-union based representative arrangements than longer established firms. Longer established firms might engage in 'double breasting' (Beaumont and Harris, 1992) - entailing a mix of union and non-union arrangements at, respectively, older and newer sites.

Method of growth. MNCs growing by acquisition are more likely to have mixed patterns of employee representation, involving union and non-union based structures inherited at different

sites, than those which have grown organically (either by opening new sites or expanding existing ones).

Diversification. A mixed pattern of employee representation might also be more common in MNCs whose UK operations comprise unrelated businesses, as compared to those operating in a single business.

The precise specification of these potential sources of intra-model variation, and the country-of-origin variables, is given in Appendix Table A1, which also reports the mean values relevant to the subsequent regression analysis.

4. Findings

The section commences with descriptive information on the measures of employee representation and consultative voice, and recent changes in the patterns observed. In so doing, the dependent variables for the subsequent logistic regression analysis, which tests the propositions developed above, are specified.

a) patterns of employee representation

Unions are represented for the purposes of collective representation of the LOG at one or more sites in 47% of MNCs. The total includes 16% where recognition is across all sites, 23% at some or most sites and 8% at a MNC's single UK site. Non-union representative arrangements for the LOG exist in 45% of those MNCs not recognising unions at any site, accounting for 24% of all cases. In four out of every five cases, these arrangements cover all sites or a company's single UK site. In addition, almost one-half of the companies with union recognition at some or most sites have non-union representative arrangements at sites where there is no recognition, accounting for 11% of all cases. Altogether 34% of multinationals have non-union representative arrangements. Overall, there are representative arrangements, union and/or non-union, in 71% of MNCs. The presence of any representation constitutes the first dependent variable in the logistic regression analysis reported below. Summarising the overall pattern, Table 1 distinguishes between four types of arrangement: this four-way variable constitutes the second dependent variable in the regression analysis.

Table 1: Patterns of employee representation

<i>Representation arrangement</i>	<i>%</i>
Union only (all, most/some, single site(s))	37
Non-union only (all, most/some, single site(s))	24
Hybrid (union at some sites, non-union at others)	11
Neither union nor non-union	29

Base: All companies (N=302)

Findings on recent changes in representation arrangements reveal a discernible trend away from union recognition and towards non-union representative arrangements. The trend away from union recognition is mainly apparent amongst ‘unionised’ companies which have opened new sites; there was little change in recognition status following acquisition of sites from other companies amongst the 205 MNCs where acquisition(s) had occurred in the previous 3 years. Of 60 MNCs which both recognise unions at existing sites and had opened one or more new sites in the previous 3 years, just 18% had recognised unions at all these new sites whilst 42% had not recognised unions at any; the remaining 40% had recognised unions at some. Turning to non-union representative arrangements, half (51%) of the MNCs with these reported that they had been established within the previous 3 years. This suggests significant recent innovation in representative arrangements, probably prompted by introduction of the UK’s Information and Consultation of Employees legislation (see below).

b) indirect and direct consultative voice

The incidence of the four direct forms of consultative voice specified above is shown in the top panel of Table 2. Briefing groups are used almost universally (96% of cases), whilst the other three forms are each found in three-quarters of companies. One or more of these two-way forms were found in all but four companies (1%).

Table 2: Direct and indirect forms of consultative voice

<i>Consultative mechanism</i>	<i>%</i>
Meetings of senior management and whole workforce	76
(Team) briefing groups	96
Problem-solving or continuous improvement groups	77

Formally designated teams with delegated responsibility	73
<i>Any direct consultative voice</i>	99
Representative consultation arrangement at UK level	73
Representative consultation arrangement below UK level (i.e. site; groups of sites)	77
<i>Any representative consultation arrangement</i>	82

Base: All companies (N=302)

The bottom panel of Table 2 shows almost three-quarters of MNCs (73%) reported regular meetings between management and employee representatives at the level of the UK operation for the purposes of information and consultation. In addition, there are representative-based consultative structures below the level of the UK operation, covering either individual or groups of sites, in 77% of multi-site companies. Taken together, 82% of MNCs have arrangements for indirect consultative voice within their UK operations^{viii}.

The UK’s ICE legislation does not automatically require firms to take steps to comply (Hall et al., 2007). Instead it requires companies to respond to a request from employees to establish arrangements, should one be forthcoming, or enables management to initiate the process, should it so wish. Unlike the more general picture of relative inactivity across UK companies falling within the legislation’s scope (Hall et al., 2007; Kersley et al., 2005), the legislation would seem to have prompted substantial recent change in MNCs’ arrangements for employee consultation. Forty-two per cent of companies with consultative arrangements reported that they had made changes over the previous 3 years: in nine out of every ten cases, such change involved the establishment of new arrangements at all (three-quarters of the relevant total) or some (one-quarter) sites; in seven out of ten it (also) involved modification of existing arrangements. Of the 54 MNCs introducing non-union representative arrangements over the previous 3 years (see above), over three-quarters also report establishing new consultative arrangements. This picture suggests that MNCs are at the forefront of legislatively induced innovation.

Respondents in 243 MNCs (81%) reported both indirect and direct forms of consultative voice; 55 companies (18%) had direct forms, but no indirect arrangements; 3 companies had indirect

arrangements but did not use any of the direct mechanisms; and one company used neither. The 243 companies using both were asked about the respective emphasis management placed on the indirect and direct channels. Their responses, which form the third dependent variable for the regression analysis below, are reported in Table 3.

Table 3: Relative emphasis on indirect and direct channels of consultative voice

<i>Relative emphasis</i>	<i>%</i>
Emphasis on indirect channels	16
Equivalent emphasis on direct and indirect	42
Emphasis on direct channels	41
[Don't know]	[1]

Base: Companies with both channels of consultative voice (N=243)

Although, consistent with wider developments (Purcell and Georgiadis, 2007), an emphasis on direct channels dominates one on indirect channels, of note also – and supporting earlier argument - is that a ‘dual track’ policy of equivalent emphasis on both kinds of channel is as widespread.

c) employee representation: regression analysis

The regression analysis proceeds in two steps. First, country-of-origin influences on the two-way contrast between MNCs reporting any representative arrangement (union and/or non-union) and those reporting none are investigated in a binary logistic regression. Second, influences on the four alternatives in Table 1 are explored. Since there is no clear ordering amongst the four alternatives, the appropriate estimation technique for the second step is multinomial regression. In both steps ‘neither union nor non-union’ representation is taken as the reference category.

The estimates resulting from the ‘any representation’ regressions are reported in Table 4, first, including the country-of-origin variable only and, second, the variables which are potential sources of intra-model variation also.

INSERT TABLE 4 ABOUT HERE

The first set of estimates is significant at the 1% level overall. The Beta coefficients indicate some significant country-of-origin influences on the presence of any representative arrangement as compared with the US-owned reference group. The odds ratios give the relative magnitude of

these effects. For example, the odds of French- and German-owned MNCs having arrangements for employee representation are, respectively, more than three and almost seven times that of their American counterparts. MNCs based in the Nordic countries, the UK, the rest of Europe, Japan and the rest of the world are, however, not significantly more likely to have representative arrangements than US-based MNCs.

The second set of estimates is also significant at the 1% level overall. Moreover, the step chi-square indicates that the inclusion of the other factors significantly adds to overall explanatory power. The Nagelkerke R^2 rises from 0.08 to 0.27. French- and German-owned multinationals continue to be significantly more likely than US-owned companies to have representative arrangements, and so now do those based in the UK. The coefficients on the other country-of-origin variables continue to be insignificant. A strong sector contrast is evident, with both service and other sector multinationals being significantly less likely than those in manufacturing to have representative arrangements. The odds ratios indicate the magnitude of these sector effects as approximately one-sixth in the case of services compared to manufacturing, and around one-quarter for other production. None of the other structural variables exercises a significant influence on 'any representation'.

Results of estimates from the multinomial regression of the four alternative forms of representation arrangement, first, including the country-of-origin variable only and, second, the other variables also are reported in Table 5.

INSERT TABLE 5 ABOUT HERE

The first set of estimates only achieves significance at the 10% level overall. The Beta coefficients indicate that some countries/regions of origin are significantly associated with particular patterns of employee representation, as compared with the reference category of US-owned MNCs. The odds ratios indicate that the odds of French and German-owned MNCs having union only representative structures are, respectively, more than three times and almost ten times greater than US-owned companies. French-owned companies are also significantly more likely than US-based multinationals to have non-union only representative structures. The other significant country-of-origin influence concerns UK-owned MNCs, which are significantly more likely than US-based companies to have hybrid representative arrangements. Representative structures in MNCs based in the Nordic countries, the rest of Europe, Japan and

the rest of the world are, however, not significantly different from those found in US-based MNCs.

Turning to the second panel of Table 5, which includes the other factors, the estimates are significant at the 1% level overall. The step chi-squared statistic indicates that the inclusion of the other factors significantly improves overall explanatory power. The Nagelkerke R^2 increases from 0.11 to 0.35. The same country-of-origin effects remain significant; in addition, UK-based MNCs are now also significantly more likely to have union-only representative structures than US-owned companies. Of the other factors, two significantly influence representation arrangements. First, striking sectoral differences are apparent. Service-sector multinationals are significantly less likely than manufacturing ones to have any of the three patterns of representative arrangement as compared to no form of representation at all. MNCs in other production are also less likely to have union and non-union representation arrangements than those in manufacturing. Second, multinationals which have engaged in acquisition are significantly more likely to have hybrid representative arrangements. The influence of UK employment size, vintage and diversification on arrangements for employee representation is not significant.

Overall, support for proposition A is mixed: whilst some country-of-origin influences operate in the way anticipated, others do not. Two of the three sub-propositions framed with more confidence find support, but so too do two of the three which were more tentatively framed. Specifically: 1) relating to US-owned MNCs is supported in comparison with multinationals based in Germany, France and the UK; 2) concerning Japanese-owned MNCs, is however not supported; 3) relating to German-owned companies, although tentatively framed, is supported; likewise 5) relating to French-owned companies; whereas on 4) the findings on Nordic-based MNCs do not provide support. German- and French-owned MNCs appear more likely, in the UK, to reflect practice in their domestic systems than do multinationals based in the Nordic countries. Sub-proposition 6) concerning UK-owned MNCs is supported, and the magnitude of the relevant coefficient in Table 4 is smaller than those for French- and German-, but not Nordic-owned MNCs. The superiority of the regressions including the demographic and corporate strategy variables - in terms of model chi-squared statistics, step chi-squared statistics, Nagelkerke R^2 and the significant influence exercised by sector and method of growth on patterns of employee representation - indicates stronger support for proposition C, which takes

account of intra-model variation. Importantly, the relevant country-of-origin effects retain their significance with the inclusion of the other variables; the demographic and corporate strategy factors complement, and do not displace, the effects of country-of-origin.

The presence of intra-model variation was investigated further for the US-based multinationals within the sample. A logistic regression for any representation against sector, size, age of subsidiary and aspects of company strategy, reported in Appendix Table 2, is significant at the 1% level. The Nagelkerke R^2 is 0.42. A striking sectoral difference is again apparent: American service sector multinationals are significantly less likely than their manufacturing counterparts to have any form of representative arrangement. Other factors, however, do not appear to be a significant source of intra-model variation. A multinomial logistic regression for form of representation, not reported here, yielded similar findings: union, non-union and hybrid patterns of representation are each significantly more likely amongst American multinationals in manufacturing than those in services.

d) consultative voice policy: regression analysis

The alternatives for management policy towards consultative voice (Table 3) are ordered; hence the estimation technique adopted was ordinal logistic regression, taking ‘emphasis on indirect channels’ as the reference category^{ix}. Results of estimates including, first, country-of-origin only and, second, also the other factors are reported in Table 6. A positive sign on a coefficient indicates that an emphasis on indirect consultation is more likely than equivalent emphasis on both, which in turn is more likely than an emphasis on direct consultation. A negative sign indicates the opposite.

INSERT TABLE 6 ABOUT HERE

The estimates including country-of-origin only (first and second columns) only achieve significance at the 10% level overall. Japanese-based MNCs are significantly more likely than their US counterparts to emphasise indirect forms of consultation, as are those based in the rest of Europe. The odds, for example, of Japanese-owned companies emphasising the indirect consultation channel over an equivalent emphasis on both, or placing equivalent emphasis on both over emphasising the direct channel, are some four times greater than for US-owned multinationals. As anticipated, UK-owned do not differ significantly from US-owned MNCs.

The French, German and Nordic-ownership variables do not, however, exercise a significant influence.

The inclusion of the other factors (columns 3 and 4) results in a more robust set of estimates: the chi-squared is significant at the 1% level overall and so too is the step chi-squared statistic for the inclusion of the other factors. The Nagelkerke R^2 is 0.19, as compared to 0.06 previously. The significance of the country-of-origin variables is unchanged. There are significant sector differences, with multinationals in services and other production showing a marked tendency to emphasise direct over indirect channels as compared with those in manufacturing. Contrary to expectations, MNCs which have established operations in the UK over the past 5 years are significantly less likely to emphasise the direct channel than longer established companies. Given that these companies were also noticeably more likely to report being involved in a merger or acquisition over the previous 5 years than longer established MNCs^x, it is tempting to infer that current policy might reflect a legacy effect from previous ownership. Yet MNCs which have grown by acquisition show a marked, and significant, tendency to emphasise direct over indirect channels. On diversification, companies diversified into related businesses are significantly less likely to emphasise direct channels than those focused on a single business, although those diversified into unrelated businesses do not differ significantly from the latter. UK employment size does not have a significant influence.

Overall, support for proposition B is qualified: the specific sub-propositions framed with more confidence find support, whereas those framed more tentatively do not. Accordingly, 1) relating to US-owned MNCs is confirmed in comparison with MNCs based in Japan and the UK; 2) concerning Japanese-owned MNCs is supported; and 6) receives support, as UK-owned are no less likely to emphasise direct channels than US-owned companies. Sub-propositions 3) concerning German-owned MNCs; 4) relating to Swedish-owned MNCs; and 5) concerning French-owned MNCs are not supported, suggesting that MNCs from these countries do not, in the UK, feel constrained to place the emphasis on the indirect channel that is associated with their domestic systems. The superiority of the regression including the other factors - in terms of model chi-squared statistic, step chi-squared statistic, Nagelkerke R^2 and the influence exercised by four of the five demographic and company strategy variables – lends support to proposition D, which takes account of intra-model variation. The relevant country-of-origin effects retain

their significance with the inclusion of the other variables, supporting the idea that the latter do not displace, but complement, the former.

Again, the presence of intra-model variation was investigated further for US-based multinationals. A logistic regression against sector, size, age of subsidiary and aspects of company strategy, reported in Appendix Table 3, is significant at the 5% level. The Nagelkerke R^2 is 0.22. A sharp sector difference was evident: US MNCs in services are significantly more likely than their manufacturing counterparts to emphasise direct forms of employee involvement. Other factors did not appear as a significant source of intra-model variation.

5. Discussion and Conclusion

This investigation of the influence of MNCs' country-of-origin on their employee voice practices in a permissive host environment reveals an uneven picture. Influence is more apparent on employee representation than on management policy towards consultative voice channels, and varies in significance across companies headquartered in major industrialised countries. The influence of demographic factors and corporate strategy structure, in particular sector and method of corporate growth, indicates the presence of intra-model variation amongst MNCs based in any given country. Such intra-model variation complements, and does not seemingly override, home country influences, consistent with Katz and Darbishire's (2000) 'converging divergencies' thesis.

Findings from several previous studies on MNC voice practices are confirmed, whilst some others are confounded. The former include the well-established preference of US-based MNCs for non-unionism, and direct forms of employee consultation (Colling et al, 2006; Ferner et al, 2005). Tüselmann et al's (2005) conclusion that German-based MNCs tend to recognise trade unions in the UK context is supported, but less so their contention that German companies are embracing a new model in which as similar weight is given to direct forms of employee consultation as indirect ones. Contrary to some studies (Guest and Hoque, 1996; Wilkinson et al, 1993), but consistent with Elger and Smith (2005), Japanese-owned multinationals are no more likely than their US counterparts to have employee representative structures, although they tend to emphasise the indirect consultative voice channel where such structures are present. UK-

owned MNCs are distinctive in the incidence of hybrid arrangements, consistent with a trajectory away from union-based arrangements (Wood and Fenton-O’Creevy, 2005).

The validity of differentiating according to country-of-origin amongst continental European-based MNCs, an innovative aspect of the study’s design, is underlined by the varying magnitude and significance of the respective country-of-origin influences. Consistent with domestic practice, and differing from the union-based arrangements characteristic of German-based multinationals, French-owned MNCs are distinctive in terms of the presence of some form of representative arrangement, either union or non-union. Nordic MNCs are, however, no more likely to have representative structures than their US counterparts. And MNCs based in these continental European countries are, contrary to their domestic practice, no more likely to emphasise the indirect channel of consultative voice than their US counterparts. In a relatively permissive institutional environment such as the UK, such a finding is consistent with the possibility that these multinationals may be embracing voice regimes associated with dominant Anglo-American business practice (Ferner and Varul, 2000) and/or to escape constraints on employee voice practice which domestic environments are perceived to impose (Meardi et al., 2009).

The attention drawn to the presence and, by implication, salience of intra-model variation in some recent studies (e.g. Colling et al, 2006; Ferner and Varul, 2000) is underscored by the findings. A limitation is that the influence of heterogeneity within national business systems, stemming from different management styles – such as the contrast between ‘New Deal’, union avoidance and union substitution models amongst US-based firms (Almond and Ferner, 2006) - can at best be indirectly inferred from the impact of demographic variables such as sector and vintage. Broad industrial sector exercises a clear-cut and consistent influence on patterns of representation and channels of voice. The contrast between manufacturing and services in terms of union representation and incidence of indirect forms of consultation is well established (Dølvik, 2001). In addition, non-union representative arrangements and less managerial emphasis on direct channels of consultative voice also differentiate manufacturing from service MNCs. Vintage did not, however, exercise a consistent influence, possibly due to the inability of the study’s measure to differentiate between modes of entry into the UK. Concerning corporate strategy, method of growth exercises a clear-cut influence: MNCs which have engaged in recent acquisition stand out in their voice practices from those which have not. The finding is consistent

with the limited available evidence (Rees and Edwards, 2009). The wider implication for the influential ‘national business system’ literature (e.g. Whitley, 1999) is that attention needs to be paid to the varieties within national models associated with sector differences and with those in management style and strategy.

The extent of recent changes in voice arrangements and the findings on management policy towards different voice channels speak to the relevance of examining employer preferences (Willman et al., 2006; Purcell and Georgiadis, 2007). The presence of some country-of-origin influences confirms the UK as an environment which is permissive of variation in industrial relations practice. Moreover, the presumption in the literature that, because of considerations of labour law and union organisational strength, MNCs are likely to adapt to local conventions in their employee representation (and indirect consultation) practices (see Ferner, 1997) is confounded. The findings reveal substantial recent innovation amongst MNCs, albeit in part legislatively induced. Prompted by the 2005 implementation of the UK’s ICE legislation, representative arrangements which are non-union based have spread and there has been significant activity in establishing new indirect consultative structures where these did not previously exist. On both counts the picture differs from that emerging from the 2004 WERS (Kersley et al, 2005). Although the timing of the two surveys might account for some of the difference^{xi}, the scale of the recent changes revealed here suggests that MNCs are a leading force in the changing contours of representation and voice practice in Britain. This ‘multinational effect’, as well as whether companies headquartered in some countries are more likely to act as innovators than those based in others, calls for further analysis.

The study also carries implications for wider debates on the changing nature of employee voice arrangements in the main Anglophone countries. The trend towards declining union representation is confirmed by the lower incidence of union recognition at new sites. But the preferred alternative of multinational employers is not necessarily no representation at all: MNCs operating in Britain are, as noted above, prominent in their embrace of non-union representative structures. Insofar as this reflects the effect of newly-imposed legislative constraint, in the guise of the ICE Regulations, this development may also extend to Ireland, but not to the Anglophone countries of north America and Australasia. In respect of consultative voice, the pertinence of Wood and Fenton-O’Creevy’s (2005) observation that multiple channels are becoming the norm is underscored. Both direct and indirect channels were present in the great majority of MNCs.

Moreover, management policy in these multinationals is as likely to emphasise a dual track approach, giving equal emphasis to either, as it is to emphasise the direct channel. Employer preferences are not necessarily absolute, preferring one channel or another; combining different channels can offer complementary voice benefits to employers. As a result, significant numbers of multinational employers in a major Anglophone economy still embrace representative-based forms of employee voice.

Table 4: Any representative arrangement regression results

Independent Variables	Odds Ratios	Beta Coeffs (SEs)	Odds Ratios	Beta Coeffs (SEs)
Intercept	-	0.718***(0.195)	-	1.545***(0.500)
<i>Origin – US</i>				
Origin – France	3.413	1.227*(0.647)	4.338	1.467**(0.716)
Origin – Germany	6.825	1.921*(1.053)	9.027	2.200**(1.098)
Origin - Nordic	2.072	0.728 (0.589)	1.682	0.520 (0.651)
Origin – UK	1.733	0.550 (0.425)	2.788	1.025**(0.493)
Origin – Rest of Europe	1.073	0.070 (0.428)	1.276	0.244 (0.478)
Origin - Japan	2.072	0.728 (0.589)	1.987	0.687 (0.650)
Origin – Rest of World	-0.488	-0.718 (0.510)	0.465	-0.765 (0.593)
<i>Sector - Manufacturing</i>				
Sector - Other Prodn	-	-	0.284	-1.259**(0.615)
Sector – Services	-	-	0.137	-1.988***(0.341)
<i>Vintage -10+ years</i>				
Vintage - 0-4 years	-	-	1.816	0.597 (0.540)
Vintage - 5-9 years	-	-	1.190	0.174 (0.401)
<i>Growth – neither</i>				
Growth – acquisition	-	-	1.178	0.163 (0.458)
Growth – new sites	-	-	0.891	-0.116 (0.410)
Growth – both	-	-	1.066	0.064 (0.449)
<i>Diversific'n – single</i>				
Diversific'n - unrelated	-	-	0.521	-0.653 (0.711)
Diversific'n – related	-	-	1.152	0.142 (0.411)
UK emp size / 1000	-	-	1.000	0.000 (0.040)
N		291		291
Model Chi-square		15.57**		60.65***
Step Chi-square		-		45.08***
Nagelkerke R ²		0.08		0.27
-2LLR		324.74		279.65

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by stars: * = 10% level, ** = 5% level, *** = 1% level.

Table 5: Pattern of representation regression results [country of origin only]

Independent Variables	<i>Union Only</i>		<i>Non-union only</i>		<i>Hybrid</i>	
	Odds Ratios	Beta Coeffs (SEs)	Odds Ratios	Beta Coeffs	Odds Ratios	Beta Coeffs (SEs)
Constant		0.025 (0.225)		-0.262 (0.243)		-1.361*** (0.354)
<i>Origin – US</i>						
Origin – France	3.250*	1.179* (0.696)	4.333**	1.466** (0.702)	1.300	0.262 (1.208)
Origin – Germany	9.750**	2.277** (1.073)	3.900	1.361 (1.180)	3.900	1.361 (1.458)
Origin - Nordic	2.194	0.786 (0.642)	1.625	0.486 (0.713)	2.925	1.073 (0.842)
Origin – UK	1.517	0.417 (0.483)	1.156	0.145 (0.543)	4.333**	1.466** (0.580)
Origin - Rest of Europe	1.463	0.380 (0.466)	0.650	-0.431 (0.599)	0.780	-0.248 (0.852)
Origin - Japan	2.194	0.786 (0.642)	1.950	0.668 (0.690)	1.950	0.668 (0.936)
Origin - Rest of World	0.542	-0.613 (0.601)	0.289	-1.242 (0.819)	0.867	-0.143 (0.858)

N 291
 Model Chi-square 30.70*
 Nagelkerke R² 0.11
 -2LLR 105.60

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by stars: * = 10% level, ** = 5% level, *** = 1% level.

Table 5 (cont): Pattern of representation regression results [country of origin plus other factors]

Independent Variables	<i>Union Only</i>		<i>Non-union only</i>		<i>Hybrid</i>	
	Odds Ratios	Beta Coeffs (SEs)	Odds Ratios	Beta Coeffs (SEs)	Odds Ratios	Beta Coeffs (SEs)
Constant	-	0.815 (0.551)	-	0.774 (0.578)	-	-1.608 (0.942)
<i>Origin – US</i>						
Origin – France	3.766*	1.326* (0.780)	6.277**	1.837** (0.782)	1.280	0.247 (1.315)
Origin – Germany	13.207**	2.581** (1.126)	4.428	1.488 (1.213)	7.064	1.955 (1.560)
Origin - Nordic	1.788	0.581 (0.714)	1.457	0.376 (0.764)	2.211	0.793 (0.921)
Origin – UK	2.681*	0.986* (0.553)	2.101	0.742 (0.601)	5.905**	1.776** (0.705)
Origin – Rest of Europe	1.761	0.566 (0.525)	0.718	-0.332 (0.628)	1.324	0.280 (0.927)
Origin - Japan	2.062	0.724 (0.708)	1.633	0.490 (0.733)	3.366	1.214 (1.022)
Origin – Rest of World	0.560	-0.580 (0.685)	0.276	-1.287 (0.868)	0.863	-0.148 (0.998)
<i>Sector - Manufacturing</i>						
Sector - Other Prodn	0.290*	-1.240* (0.691)	0.201*	-1.605* (0.842)	0.363	-1.015 (0.850)
Sector – Services	0.123***	-2.095*** (0.380)	0.202***	-1.598*** (0.403)	0.061***	-2.804*** (0.602)
<i>Vintage -10+ years</i>						
Vintage - 0-4 years	2.343	0.851 (0.586)	1.349	0.300 (0.676)	1.489	0.398 (0.751)
Vintage - 5-9 years	1.389	0.328 (0.439)	1.257	0.229 (0.469)	0.562	-0.576 (0.766)
<i>Growth - neither</i>						
Growth – acquisition	1.090	0.086 (0.498)	0.900	-0.106 (0.566)	3.651*	1.295* (0.739)
Growth – new sites	0.679	-0.386 (0.455)	1.279	0.246 (0.570)	0.562	-0.576 (0.932)
Growth – both	0.721	-0.328 (0.506)	1.039	0.038 (0.561)	5.715**	1.743** (0.738)
<i>Diversific'n – single</i>						
Diversific'n - unrelated	0.544	-0.609 (0.814)	0.355	-1.037 (0.980)	1.410	0.343 (1.111)
Diversific'n – related	1.348	0.298 (0.459)	0.893	-0.113 (0.477)	2.022	0.704 (0.775)
UK emp size / 1,000	1.008	0.008 (0.045)	0.900	-0.105 (0.082)	1.023	0.023 (0.047)

N	291
Model Chi-square	112.60***
Step Chi-square	536.67***
Nagelkerke R ²	0.35
-2LLR	641.97

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by stars: * = 10% level, ** = 5% level, *** = 1% level.

Table 6: Emphasis on direct or indirect consultation regression results

Independent Variables	Odds Ratios	Beta Coeffs (SEs)	Odds Ratios	Beta Coeffs (SEs)
Intercept – emphasis on direct	-	-0.061 (0.197)	-	-0.271 (0.422)
Intercept – equivalent emphasis on both	-	1.983***(0.243)	-	1.973***(0.445)
<i>Origin – US</i>				
Origin – France	1.586	0.461 (0.463)	2.064	0.725 (0.514)
Origin – Germany	2.219	0.797 (0.538)	2.082	0.733 (0.553)
Origin - Nordic	1.531	0.426 (0.484)	1.519	0.418 (0.510)
Origin – UK	1.168	0.155 (0.378)	1.948	0.667 (0.424)
Origin – Rest of Europe	2.120*	0.751*(0.430)	2.176*	0.778*(0.452)
Origin - Japan	4.103***	1.412***(0.490)	3.463**	1.242**(0.501)
Origin – Rest of World	2.615	0.961 (0.625)	1.990	0.688 (0.645)
<i>Sector - Manufacturing</i>				
Sector - Other Prodn	-	-	0.381*	-0.964*(0.554)
Sector – Services	-	-	0.483**	-0.729**(0.287)
<i>Vintage -10+ years</i>				
Vintage - 0-4 years	-	-	2.148*	0.765*(0.449)
Vintage - 5-9 years	-	-	1.143	0.134 (0.336)
<i>Growth - neither</i>				
Growth – acquisition	-	-	0.384**	-0.956**(0.382)
Growth – new sites	-	-	0.864	-0.147 (0.348)
Growth – both	-	-	0.350**	-1.051**(0.413)
<i>Diversific'n – single</i>				
Diversific'n - unrelated	-	-	0.684	-0.379 (0.712)
Diversific'n – related	-	-	1.827*	0.602*(0.356)
UK emp size / 1000	-	-	0.987	-0.013 (0.024)
N		235		235
Model Chi-square		12.20*		41.64***
Step Chi-square		-		29.44***
Nagelkerke R ²		0.06		0.19
-2LLR		62.04		441.91

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by stars: * = 10% level, ** = 5% level, *** = 1% level.

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Table A1: Mean values of independent variables included in the regression analysis

Variable name	Description	Mean value (A)	Mean value (B)
<i>Origin</i>	Country or region of origin		
US [reference]		0.41	0.41
France		0.08	0.09
Germany		0.05	0.06
Nordic		0.07	0.08
UK		0.14	0.15
Rest of Europe		0.11	0.10
Japan		0.07	0.08
Rest of World		0.06	0.04
<i>Sector</i>	Broad industrial sector		
Manufacturing [reference]		0.51	0.57
Other Production		0.07	0.07
Services		0.41	0.36
<i>Vintage</i>	Years established in UK		
0-4 years		0.13	0.12
5-9 years		0.21	0.22
10+ years [reference]		0.66	0.66
<i>Growth</i>	Method of recent growth		
Acquisition		0.20	0.21
New sites		0.23	0.25
Both		0.24	0.21
Neither [reference]		0.33	0.34
<i>Diversification</i>	Diversification into related or unrelated businesses		
Unrelated		0.06	0.05
Related		0.78	0.78
Single [reference]	No – single business	0.17	0.17
<i>UK emps / 1000</i>	UK employment / 1000	2.04	2.38
N =		291	235

The two sets of regressions relate to differing bases, to which the columns refer:

- column A: pattern of employee representation (base: all companies)
- column B: relative emphasis on direct or indirect channels of consultative voice (base: companies reporting both channels)

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

Table A2: Any representative arrangement in US MNCs regression results

Independent Variables	Odds Ratios	Beta Coeffs (SEs)
Intercept	-	2.228**(0.876)
<i>Sector - Manufacturing</i>		
Sector - Other Prodn	0.123	-2.094**(0.891)
Sector – Services	0.046	-3.078***(0.584)
<i>Vintage -10+ years</i>		
Vintage - 0-4 years	1.086	0.083 (0.965)
Vintage - 5-9 years	2.615	0.961 (0.671)
<i>Growth - neither</i>		
Growth – acquisition	1.633	0.491 (0.752)
Growth – new sites	1.824	0.601 (0.694)
Growth – both	1.040	0.039 (0.767)
<i>Diversific'n – single</i>		
Diversific'n – unrelated or related	0.536	-0.624 (0.760)
UK emp size / 1000	1.269	0.238 (0.158)
N		119
Model Chi-square		43.78***
Nagelkerke R ²		0.43
-2LLR		106.77

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by stars: * = 10% level, ** = 5% level, *** = 1% level.

Table A3: Relative emphasis on direct or indirect consultation in US MNCs regression results

Independent Variables	Odds Ratios	Beta Coeffs (SEs)
Intercept – emphasis on direct	-	-1.111 (0.696)
Intercept – equivalent emphasis on both	-	1.354*(0.717)
<i>Sector – Manufacturing</i>		
Sector - Other Prodn	0.797	-0.227 (0.974)
Sector – Services	0.254	-1.372***(0.482)
<i>Vintage -10+ years</i>		
Vintage - 0-4 years	1.766	0.569 (0.814)
Vintage - 5-9 years	1.030	0.030 (0.530)
<i>Growth - neither</i>		
Growth – acquisition	0.615	-0.486 (0.592)
Growth – new sites	1.036	0.035 (0.519)
Growth – both	0.668	-0.403 (0.677)
<i>Diversific'n – single</i>		
Diversific'n – unrelated or related	0.821	-0.197 (0.609)
UK emp size / 1000	0.848	-0.165 (0.140)
N		97
Model Chi-square		20.45**
Nagelkerke R ²		0.22
-2LLR		161.47

N is reduced because of missing values on some variables.

The reference categories are in italics.

Levels of significance are denoted by starts: * = 10% level, ** = 5% level, *** = 1% level.

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- ⁱ The ICE legislation expressly permits compliance via direct as well as indirect consultative voice channels.
- ⁱⁱ This is on the assumption that non-respondents would have screened out of the population on the basis of the size criteria at the same rate as respondents.
- ⁱⁱⁱ Senior HR managers were defined as those with a job title of HR/Personnel Director, Senior Manager, Manager or Senior Officer or titles deemed as equivalent by the respondent.
- ^{iv} Average duration of interviews was 70 minutes.
- ^v Representativeness checks of the screener sample against the original database listing of eligible companies have also been undertaken (XXXX, 2007).
- ^{vi} There is no measure of meetings of senior managers with the whole workforce *which allow for employee input* in the survey, which Bryson (2004) and Willman et al (2006) include in their operational definition. The present survey asked about meetings of senior managers with the whole workforce, but without specifying that they should allow for employee input. However, all cases which reported these also reported team briefings.
- ^{vii} The location of the operational headquarters of an MNC may differ from a ‘flag of convenience’ location registered for taxation purposes (XXXX, 2007).
- ^{viii} Of 230 multi-site cases, 140 have consultative arrangements at both levels, 22 at UK group level but not lower levels, 26 at lower levels but not UK group level, and 40 have consultative arrangements at neither level. Sixty of 72 single site cases have consultative arrangements.
- ^{ix} This ordering assumption was confirmed by the parallel lines test.
- ^x Eighty-five per cent of MNCs establishing operations in the UK over the previous 5 years report being involved in a merger or acquisition over that period, as compared with 46% of MNCs with UK operations established for more than 5 years.
- ^{xi} WERS2004 was undertaken in the year before implementation of the ICE regulations and the multinationals’ survey started almost a year after.