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Marta Kahancová, (2010), *One Company, Diverse Workplaces: The Social Construction of Employment Practices in Western and Eastern Europe.*

Review by Jan Cremers, AIAS/ETUI, 2011-09-15.

Marta Kahancová wrote an interesting book based on the monitoring of the behaviour of the Dutch multinational Philips in subsidiaries in other constituencies. Her book offers an inquiry into the process through which multinational companies establish and reinforce their position in host-country labour markets across Western and Eastern Europe. She presents empirical evidence gathered in five countries and an assessment of the diversity across the subsidiaries of the same company. The study provides comparative analyses of processes that contribute to the construction of employment practices. Based on her research Kahancová comes to the conclusion that employment practices are not constructed through mechanisms which stem from a fixed or divine concept but that these practices are the result of underlying social interaction between the management of the firm and local actors. This interaction varies from interactive bargaining to trust-based cooperation and is not purely underpinned with economic reasoning. The company's corporate intention to utilise local conditions, the interactive coordination of the factory management with the local trade union, and an underdeveloped international coordination of trade unions within Philips are the main factors explaining the specific employment practices and industrial relations instead of their diffusion from the headquarter or from other subsidiaries.

In two chapters the dynamic between workers representatives and the firm is analysed. In Chapter 5, called 'From bargaining to dancing: social interaction between the multinational company and local trade unions', the interaction between management and workers in direct and in representative forms of participation is analysed. Direct contact between management and labour is mainly used to settle 'soft' employment practices. The indirect, institutional interaction with works councils and unions goes back to the legal obligation to negotiate, to the economic interests, related to expected benefits, and to social motives. In this context the author signals an increasing empowerment of subsidiary unions and a declining capacity of national and sectoral unions to strike deals at higher level. This even applies to countries like Belgium and France. Chapter 6, 'The social foundations of trade union influence: cross-border interaction of trade unions and the European Works Council' is dedicated to the role of employee representatives at the international level. The EWC (the 'EUROFORUM') is not really functioning as an effective workers' voice. The Forum is too much of an extended hand of management delivering selective information. Moreover, local trade unions don't see the possible added value for their local agenda and have demonstrated competitive behaviour or even hostility in cross-border interaction in the past. All in all the EWC has neither developed its legitimate role nor functioned as a productive platform for meetings between workers representatives.

Although it is interesting to look at diversifying local interactions as the building blocks for the prevailing employment practices, one could argue that the central corporate strategy to decentralise combined with a system of local 'privileges' is functioning as a planned common policy. This policy works out as an effective 'divide and rule' mechanism: management predominance is served by breaking up coordinated workers involvement. Local initiatives have far less impact and linking up is effectively discouraged. In my view such a strategy necessitates central workers alliances that can bridge local interests and counterbalance management domination.

Further reading:

Marta Kahancová, (2010), *One Company, Diverse Workplaces: The Social Construction of Employment Practices in Western and Eastern Europe.*
Palgrave Macmillan, 280 pages. ISBN: 978-0-230-57977-4