

UNION STATUS AND DOUBLE-BREASTING AT MULTINATIONAL COMPANIES IN THREE LIBERAL MARKET ECONOMIES

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The relationships among employee representation, formal union status, and employer strategies within and across institutional regimes offer a variegated landscape in the context of globalization. Key questions remain as to the relative weight of macro- and micro-level influences on union status at subsidiaries of multinational companies (MNCs). This study analyzes data gathered through coordinated surveys of MNC subsidiaries in Canada, Ireland, and the United Kingdom, and tests the extent to which union status and double-breasting depend on home-country variation, host-country influences, and particular organizational characteristics. The authors find support for a combination of effects on both union status and double-breasting. Further analyses test explicit variations on union status within each host context and support arguments that effects depend on the particularities of national industrial relations regimes.

The relationship between multinational companies (MNCs) and union status across different employee representation regimes has generated much interest among employment and industrial relations (IR) scholars. Employee representation structures are deeply embedded in the institutional arrangements of political economies. Scholars often view MNCs, however, as exogenous to national path dependencies; MNCs are arguably carriers of practices and understandings forged in other contexts. Equally, these practices may also vary by firm characteristics and organizational policies. This confrontation between the logics of MNCs and different employee

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The international survey data set is available from the Economic and Social Data Service (<http://www.esds.ac.uk>), deposit Ref: SN 7057, "Surveying Employment Practices of Multinationals in Comparative Context." Information about the computer programs to generate the results presented in the paper is available from J. Ryan Lamare at jrl1095@psu.edu. Further details about the design, administration, and results of the surveys employed can be found in the introductory chapter of this special issue by Tony J. Edwards, Paul Marginson, and Anthony Ferner.

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representation regimes provides important contrasts, framed in terms of divergent and complementary macro- and micro-level influences on employee representation within MNC subsidiaries.

Our study investigates the extent to which formal union status within MNC subsidiaries depends on home-country effects (the country from which the MNC originates), host-country effects (the environment in which the subsidiary operates), and firm-specific differences related to organizational policy, structure, and subsidiary supply chain integration. We compare these effects and measure their relative influence in subsidiaries across in three national settings: Canada, Ireland, and the United Kingdom.

Our analysis seeks to explain two practices: (1) recognition, or certification, of unions for purposes of collective representation (union status), and (2) double-breasting, or the concurrent operation of union and nonunion sites, in foreign subsidiaries. We contribute to the literature by comparing how a wide range of factors influence these two dependent variables.

Our use of surveys from these three host countries also enables us to explore variation among three liberal market economies (LMEs), as identified by the varieties of capitalism (VoC) literature (Hall and Soskice 2001). Our focus on within-system variation allows us to assess how factors that influence union status differ across these IR systems. In addition, we examine the factors shaping union status within each individual host country.

Defining Union Status and Double-Breasting

Union status and *double-breasting* can mean different things in different contexts. We define union status as “the recognition (or certification) of a trade union (or unions) for the purposes of collective bargaining.”¹ Admittedly, the process by which unions achieve collective bargaining status differs by country. In Canada, union certification follows the Wagner Act model and can be achieved through representation elections or, in some jurisdictions, card check, where the majority of potential union members at a worksite indicate that they desire a union. While decisions about union certification are in principle completely independent of management, in practice employers invest considerable resources to shape outcomes—either through the implementation of union-substitution HRM practices or through direct opposition to unionization (Bentham 2002; Campolieti et al. 2007). In Ireland and the United Kingdom, the recognition of unions for bargaining purposes is largely voluntary. While a statutory procedure was introduced in the United Kingdom in 1999, it has been used sparingly (Gall 2007). Though the decisions to voluntarily recognize a union ultimately rest with management, the union organizing effort required to secure formal union status

¹The terminological distinction between recognition and certification relates to national setting. In Canada, we used the term *certification*, whereas in Ireland and the United Kingdom, we used the term *recognition*. The terms are functionally equivalent across the three countries because they establish comparable routes to formal union status for the purposes of collective employee representation.

plays a critical role, regardless of the mechanics of certification or recognition procedures in each national setting.

For comparative purposes, two further points about these arrangements are important. First, in contrast to economies where union status is largely derived from national or industry bargaining arrangements, the variable nature of bargaining in Canada, Ireland, and the United Kingdom offers a patchwork of sites where unions may be present or absent. Second, union status in MNC subsidiaries is often contested and subject to managerial strategies and policies at both the corporate and subsidiary levels, be they favorable or hostile to union presence or somewhere in between. This motivates our interest in understanding both macro- and micro-level factors affecting union status in MNC subsidiaries.

The term *double-breasting* has its origins in the U.S. construction sector and the practice of firms operating “in both unionized and non-unionized segments of the industry” in order to reduce labor costs and achieve greater flexibility in work practices (Lipsky and Farber 1976: 401). Double-breasting is often characterized as an employer strategy to suppress unionization, whereby nonunion sites are added to existing unionized sites (Gunnigle et al. 2009). But it may not always be a union avoidance technique (Beaumont and Harris 1992; Cullinane et al. 2012). It may reflect a legacy of site acquisition or the different organizing proclivities of workforces at various sites. For example, it may reflect differences between sites that are exclusively white-collar and those where blue-collar workers predominate; or, as in federal systems with split jurisdictions over industrial relations issues, it may reflect within-country variation in labor law. It is clear that sites in MNC subsidiaries in the three national settings can be both union and nonunion and that, within each setting, union status at particular worksites can often be the subject of strategic contention. Our interest, therefore, is to analyze how different explanations of MNC behavior contribute to an understanding of the extent to which double-breasting occurs in Canada, Ireland, and the United Kingdom.

Literature and Hypotheses

Recent literature highlights how subsidiary managers, caught between conflicting pressures exerted by MNC central management and their local environments, must try to balance these different demands (Morgan 2011). The challenge for researchers is to comprehend the relative influence of these different levels of effects on the behavior of subsidiaries. Geppert et al. (2003) contrast low- and high-context perspectives within the literature: low-context perspectives focus on universal contingencies and structural configurations, while high-context perspectives emphasize the institutional embeddedness of MNCs. Meardi et al.’s study of MNCs finds “a high degree of variety which is not readily attributable to home-country effects, nor to the influence of host-country environments,” even in the same economic sector, though they also find that “the country of origin is not irrelevant and

contingency is not absolute” (2009a: 505–6). Moreover, these factors, which reflect different types of integration into the global economy as well as particular trajectories in home-country institutional arrangements, might vary from one political economy to another. In detailing the factors that may influence union status and double-breasting within MNC subsidiaries, we distinguish between macro-level environmental effects (related to the firm’s home country and the host country’s institutional context) and micro-level organizational features (firm-specific organizational, structural, and policy variables).

Macro-Level Environmental Effects

Considerable research has examined the influence of national business systems on MNC practices. The VoC approach suggests that fundamental differences exist between the structures and institutions constituting LMEs and those of coordinated market economies (CMEs) and that firms tend to reflect the influence of these institutions and structures (Hall and Soskice 2001). Although scholars have debated the strengths and weaknesses of the VoC approach (Crouch et al. 2009; Hancke 2009), the importance of macroinfluences on MNC subsidiary practices is well documented (Ferner 1997; Whitley 1999; Almond et al. 2005). We refer to these influences as home, host, and institutional duality or hybridization factors.

Home Effects

Firms tend to transmit attitudes and behavior forged in their home environment to their foreign operations (Harzing and Sorge 2003; Almond et al. 2005). In particular, U.S.-based MNCs aspire to implement business policies and practices in their subsidiaries that are consistent with those found in the U.S. system rather than to necessarily amend their home-country behavior to conform to the host context (Gunnigle et al. 1997; Edwards and Ferner 2002).

These findings imply that MNCs based in traditionally antiunion environments will continue to maintain a negative approach toward unions, regardless of the IR system in which their subsidiary operations are found (Almond et al. 2005). We therefore anticipate that U.S.-based companies are less likely to recognize unions and more likely to have double-breasted subsidiaries than those originating from other countries (Hypothesis 1a). Conversely, we expect the opposite to be the case among MNCs from CMEs (Hypothesis 1b); however, the home-country effects of MNCs from CMEs may be more complex (Ferner and Varul 2000).

Host Effects

A complementary line of macroinstitutional analysis emphasizes the importance of host-country influences in the study of MNC practices (Geppert et

al. 2003). Since employee representation regimes are deeply embedded in national institutional arrangements, it can be difficult for foreign MNCs to simply transfer their home-country approaches into different national contexts. Rather, some researchers argue that MNC subsidiaries must instead adapt their practices to accommodate local contextual circumstances (e.g., Schmidt 2003). These arguments suggest that host economies differ, not simply between types of coordination in capitalist economies, as suggested by the VoC approach, but also within these types, as evidenced by critical differences in the IR regimes and union recognition procedures of predominantly Anglophone LMEs (e.g., Freeman et al. 2007). Given these differences, we expect that union status and double-breasting at MNC subsidiaries will vary depending on the institutional context within which the subsidiary operates (Hypothesis 2). We will elaborate on these expectations for each of the three host contexts.

Hybridization or Dual Institutional Effects

The hybridization or dual institutional approach examines ways that MNCs strategically adapt their practices to take advantage of institutional distance and abandon practices prevalent in their home countries. There is evidence, for instance, of German MNCs opting to operate in environments where they are not subjected to codetermination and works councils (e.g., Meardi et al. 2009a). Whereas MNCs from LMEs may more easily see their home practices as a source of competitive advantage and seek to transfer them to host environments, MNCs from CMEs with strong representation regimes, such as Germany and the Nordic countries, may seek to escape the constraints of their home IR regimes in their foreign subsidiaries, especially in economies where there are ostensibly fewer constraints. This line of analysis suggests that union status at subsidiaries of MNCs originating in CMEs will not be uniformly higher, nor will double-breasting be uniformly lower, than for U.S. subsidiaries (Hypothesis 3a).

Economic Dominance

A specific strand of the literature on home-country and host-country effects emphasizes the role of economic dominance, which “concern[s] the uneven nature of economic power, and the tendency for one society to take the lead in evolving work organization or business practices considered more efficient than those operating within other countries” (Smith 2005: 615). Economic success in the home country and internationally endows that country’s management practices with a higher degree of legitimacy. Given the dominance of the United States in the world economy, foreign subsidiaries of MNCs from any country may be more likely to adopt U.S. management styles and practices (Pudelko and Harzing 2007). This effect is likely to be stronger for subsidiaries located in relatively permissive IR systems or in political economies that are heavily dependent on foreign direct

investment (FDI) (Geary and Roche 2001); and it has led some host countries to reshape their IR systems and regulations to offer more scope to MNCs (Langille 1981; Hardy 2006; Royle 2006).

These dominance effects may shape host influences within our sample. If the United States is providing the dominant economic model for MNC practices, we anticipate that the degree of institutional latitude to accommodate antiunion practices will be greater where host economies are more dependent on U.S. FDI (Hypothesis 3b). We will test this within our host-country subsets, where we anticipate that U.S. home-country effects on union status will be most evident in Ireland.

Micro-Level Organizational Effects

Exclusive focus on macro-level effects can come at the cost of understanding the importance of firm-specific variables for union status and double-breasting. These include contingency, organizational policy, and production network effects.

Contingency

Harzing and Sorge (2003) contrast home-country influences with “universal contingencies,” such as sector and size. They find that control mechanisms within the MNC tend to reflect home-country patterns but that MNC internationalization strategies are more likely to be influenced by the sector of its activities and the size of the organization. In a study of the varying impact on workforces of the deployment of threats to relocate by MNC subsidiaries, Meardi et al. (2009b) similarly identify the importance of a range of structural and contingent factors.

There is considerable evidence that a subsidiary’s sector of activity is likely to have a direct impact on union status (Marginson and Sisson 2004). Production (manufacturing and resource extraction) tends to be heavily unionized. We therefore anticipate that MNCs operating in production activities are more likely to have a formal union presence than those in services activities (Hypothesis 4).

Given the greater challenge to standardization of processes, a greater degree of product diversity is generally associated with increased complexity (Tallman and Li 1996) and less centralization (Hill and Hoskisson 1987), as well as, potentially, less detailed interest in IR practices (Edwards 2000). Greater product heterogeneity is also likely to be associated with increased double-breasting, simply because employers are likely to use a wider range of employment arrangements to fit the demands of diverse products (Hypothesis 5).

A final contingent variable, which we treat as a control variable, concerns the subsidiary’s size. In addition to a higher degree of union presence, we expect that subsidiaries employing more people are more likely to be double-breasted because multiple sites increase the likelihood of both union and nonunion facilities.

Organizational Policy

The extent of subsidiary discretion in policymaking and execution is one expression of the relations linking subsidiaries and higher levels of decision-making within a MNC. As described by Westney and Zaheer (2009: 361), the MNC is “a political system as well as an organizational design, with conflicts of interest built into its configuration.” Relative autonomy in local decision-making might be translating not only the effects of organizational policy (Sako and Jackson 2006) but also the defense of subsidiary discretion. For instance, Ferner et al. (2001: 124) emphasize how subsidiary managers can mobilize the constraints of the local environment and thereby “win the right to interpret and adapt global policies; in short, they may be able to negotiate more freedom of action with respect to the center.” Morgan and Kristensen (2006) have similarly highlighted how the best long-term strategy available to subsidiary managers is not necessarily strict adherence to headquarters’ policy dictates because subsidiary managers need to carve out space for enhanced autonomy that enables them to better balance the conflicting pressures they face.

These findings invite particular attention to the degree to which local discretion over the formal recognition of unions shapes union status at MNC subsidiaries. We argue that higher levels of local discretion may positively influence union status (Hypothesis 6). Subsidiary managers tightly controlled by headquarters are constrained from responding to asymmetric variations in local IR environments. In the three institutional contexts under study, engaging with unions was historically the rule rather than the exception, particularly at larger firms; local managers were familiar with an environment that tolerated and accepted a union presence. Therefore, if subsidiary managers are left with full discretion with regard to unions, we expect that they may be more inclined to revert to local customs that promote union status than managers whose autonomy on the issue is more circumscribed by headquarters. This may be particularly true among U.S. subsidiaries, especially if central management is not accustomed to engaging with unions.² Alternatively, apparent discretion effects might be dominated by home-country influences and therefore may dissipate when the analysis accounts for this factor.

Subsidiary Integration into the MNC

A key feature of MNCs is the extent to which their subsidiaries are integrated into the parent company operations or international production

²While any account of discretion must consider evidence that in U.S. firms, managers tend to see unions as harmful to their careers (Freeman and Rogers 1999) and to believe that union presence is likely to be viewed unfavorably by central management (Freeman and Kleiner 1990), it is unclear whether managers holding these beliefs are also heavily controlled by central management. This may be a logical extrapolation of the tendency observed in U.S. MNCs to limit managerial discretion and view unions more unfavorably. In such cases, we would again expect that lower levels of local discretion (i.e., more centralized control) negatively affect union status at subsidiaries.

networks. The challenge is to understand the linkages within firms and across borders (see Dicken et al. 2001; Lane 2008). For a subsidiary, these can be gauged by the extent to which a unit is supplied by (downstream integration) or supplies to (upstream integration) other sites of the parent firm. There is scant research on the effects of production network integration at MNC subsidiaries on union status. One interpretation is that a subsidiary's greater cross-border integration with other units of the MNC's production network will increase pressure on cost and flexibility. For example, increased competition within and between global regions would provide an incentive to control labor costs. We anticipate that because of increased cost pressures exerted on the subsidiary, production network integration, particularly upstream, will lower union status and increase double-breasting (Hypothesis 7).

Exploring Influences on Union Status within Differing Host Contexts

All three countries in our study have comparable levels of union density, varying from 27% in Canada and the United Kingdom to 32% in Ireland.³ All have also experienced a relative decline in density. This decline is greater in Ireland (from 54% in 1980 to 32% in 2008) and the United Kingdom (from 50% 1979 to 27% by 2008) than in Canada (from 34% in 1980 to 27% in 2008), which never reached the levels achieved in Ireland and the United Kingdom.

Canada has a heritage of extensive legal regulation that makes it possible for a union to be certified as the monopoly bargaining agent of a designated group of workers (Murray and Verge 1999). While the Canadian legal framework is more favorable to unions than that of the United States (Godard 2003), the trend toward compulsory certification elections in a number of jurisdictions has increased the scope for employer opposition to representation (Bentham 2002; Riddell 2004; Campolieti et al. 2007). Economic dominance pressures from the United States are evident to a degree throughout Canada, where some legal provisions have been tilted in the direction of the U.S. framework. At the same time, the stronger legislative affirmation of freedom of association as a fundamental right in Canada and the decentralized but robust legal regulation of those rights mitigate some of these pressures. Nevertheless, the facts that jurisdiction over IR issues is split between different provinces, northern territories, and the federal government and that there is no mechanism for linking union presence between sites of the same company operating in different jurisdictions probably facilitates double-breasting.

In Ireland, there is no mandatory legal process through which unions achieve representation at a site. This can be partially traced to provisions in the Irish constitution, but it also reflects a public policy stance that seeks to avoid mandatory union provisions because of the perceived negative impact

³Density figures are taken from OECD records (http://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN).

on Ireland's capacity to attract FDI, particularly U.S. FDI (Gunnigle et al. 2005). Ireland's longstanding policy of attracting mobile FDI in manufacturing and internationally traded services appears to have operated under, at the least, a tacit understanding of an MNCs' freedom to establish operations in a union-free environment, regardless of national partnership arrangements if desired (irrespective of national partnership arrangements).

In the United Kingdom, formal union status remained a voluntary process until the enactment of a statutory recognition procedure in 1999 that, although its impact has been modest, has impinged on the principle of voluntarism. While the number of new bargaining agreements has increased since then, the numbers of agreements involved and workers covered are not large. Moreover, fewer than 20% of these new agreements have been concluded under the statutory procedure (Gall 2007, 2010). The marked shift in public policy since the first Thatcher-led Conservative government in 1979, including the enactment of antiunion legislation, precipitated the steep decline in union density (Freeman and Pelletier 1990; Disney et al. 1995) and affected employer preferences regarding union recognition. The proportion of new private sector workplaces with unions fell from around 50% for those established between 1970 and 1980 to 16% between 1994 and 2004 (Blanchflower and Bryson 2009).

This leads to three country-specific propositions, which we test using host-country subsets. First, the dependence of the Irish economy on U.S. FDI is likely to translate into a strong home-country effect on union status. More specifically, we expect that U.S. MNC practices of union avoidance and double-breasting are more likely to be significant in Ireland than in the other two countries (Proposition 1). Second, given its integration into the North American free trade zone and its reliance on the United States as its predominant trading partner, Canada is also more likely than the United Kingdom to exhibit dominance effects in this regard (Proposition 2). The effect of Canada's legal procedures is, however, likely to provide greater protection for union organization than the more voluntary arrangements prevailing in the other two countries (Proposition 3).

Methodology and Models

To test our hypotheses and propositions, we analyze a sample of 633 survey responses from foreign-owned subsidiaries in Canada,⁴ Ireland, and the United Kingdom (after listwise deletion of missing data, our effective sample is 522 subsidiaries).⁵ In gathering information from the most senior manager responsible for HR and employment relations practices in the multiple sites of MNC subsidiaries in each of the three employment representation

⁴Note that 80% of the Canadian cases report employees in multiple jurisdictions.

⁵For national data collection methods, see Bélanger et al. (2006), Edwards et al. (2007), and Lavelle et al. (2009). While the smaller number of MNCs in the Canadian data set makes it more sensitive to the listwise deletion of missing cases than the data sets for Ireland or the United Kingdom, this appropriate treatment of missing data does not bias the independent variables in each country.

regimes, our survey is uniquely placed to capture both institutional (macro) and organizational (micro) factors shaping union status and double-breasting practices. We analyze the data in relation to two dichotomous dependent variables. The first model measures determinants of union status at all surveyed MNCs ($n = 522$). Firms are given a value of 0 if they do not formally recognize unions for the purposes of collective bargaining at any site and a 1 if they formally recognize unions. The second model analyzes factors that influence double-breasting and includes only those MNCs that (a) have at least some union presence and (b) operate more than one site in the host country ($n = 207$). In other words, we exclude nonunion firms and single-site firms. Firms that are double-breasted receive a 1, and firms that are not receive a 0.

We employ a common set of independent variables across both models.⁶ We categorize home country as United States, France, Germany, the United Kingdom (but operating in Ireland or Canada only), Japan, the Nordic region, Other European countries, or the Rest of the World.⁷ We divide the host-country variable into Canada, Ireland, and the United Kingdom. For our structure/contingencies variables, we include sector and size. For sector, we distinguish between services and production. For size, we use three ranges: 100–499, 500–999, or 1,000+ employees in the subsidiary operations. We also compare the extent to which the provision of goods or services by the subsidiary is dominated by a single product or service that accounts for 90% or more of sales, a dominant product that accounts for 70% to 90% of sales, or a range of products where no product or service accounts for more than 70% of sales. For our organizational policy variable, we compare subsidiaries that report full discretion over union recognition with those that report some or no discretion. Finally, we capture two dimensions of subsidiary integration into the parent company: downstream, or the extent to which its inputs are supplied by other units within the company, and upstream, or the extent to which it exports to other units within the company.

We exclude responses from home-based firms for two reasons. First, because a key element of our model involves comparing the transfer of employment practices between different institutional contexts—from an MNC's country of origin into the different institutional contexts of its subsidiaries—we focus only on foreign subsidiaries. Second, the measurement of discretion is problematic for home-based firms. In our study, the senior HR manager in the subsidiary was asked to evaluate his or her discretion relative to managers at higher levels within the MNC. While the distinction is typically clear in operations at foreign subsidiaries, it can be quite

⁶To establish that each variable included in the models is independent of the other variables, we employ condition indices, tolerance/VIF tests, and a standard correlation matrix (see Table 5). Full results are available on request.

⁷In this article, we treat the United States singularly in the home-country classification rather than use the regional classification of North America because of this article's emphasis on the United States as a unique institutional environment and our specific focus on Canada as a host context.

Table 1. Variable Names, Coding Schemes, and Weighted Percentages for Union Status and Double-Breasting

<i>Variable Name</i>	<i>Coding Scheme</i>	<i>Percentage Union Status</i> ‡	<i>Percentage Double-Breasting</i> ‡
DEPENDENT			
Union Status	Binary dummy	52.2§	—
Double-Breasting	Binary dummy†	—	54.0§
INDEPENDENT			
<i>Host Country</i>			
Canada	Categorical	62.2	67.5
Ireland	Categorical	56.4	47.2
United Kingdom	Categorical (reference)	45.3	52.8
<i>Home Country</i>			
United States	Categorical (reference)	46.3	68.5
France	Categorical	50.0	43.8
Germany	Categorical	63.2	25.0
United Kingdom	Categorical	77.5	37.0
Japan	Categorical	48.1	75.0
Nordic Region	Categorical	67.9	60.0
Other European	Categorical	55.6	30.4
Rest of World	Categorical	38.5	50.0
<i>Subsidiary Sector</i>			
Services	Binary dummy (reference)	34.9	54.8
Production	Binary dummy	66.3	53.5
<i>Subsidiary Size</i>			
100–499	Categorical (reference)	46.0	43.6
500–999	Categorical	50.6	50.0
1,000–plus	Categorical	64.2	62.5
<i>Product Diversification</i>			
A single product	Categorical	52.7	40.0
One dominant product	Categorical	58.8	52.0
A variety of products	Categorical (reference)	49.8	58.5
<i>Organizational Policy</i>			
Less than full discretion over union status	Binary dummy (reference)	43.6	60.0
Full discretion over union status	Binary dummy	58.7	50.0
<i>Upstream Subsidiary Integration</i>			
Firm does not supply to other sites	Binary dummy (reference)	52.7	40.7
Firm supplies to other sites	Binary dummy	51.9	63.0
<i>Downstream Subsidiary Integration</i>			
Firm not supplied by other sites	Binary dummy (reference)	47.4	54.3
Firm supplied by other sites	Binary dummy	53.8	53.9

Notes: Nonweighted percentages are similar to the weighted values; these are available on request.

†This variable includes only firms that identify as having some union presence, and also operate two or more sites.

‡Represents the percentage of firms answering yes when asked questions on union status and double-breasting. For example, 46.3 under U.S. home country indicates that union status was found at 46.3% of U.S. firms.

§These values indicate the overall percentages for union status and double-breasting at firms across the full sample.

ambiguous and, in smaller MNCs, even nonexistent in an MNC's home-country operations.

Table 1 provides the coding schemes for all variables and the weighted results of crosstabs between each of the independent variables and the two dependent variables. The results provide several interesting descriptive

findings. Formal union status exists at 45.3% of MNC subsidiaries in the United Kingdom, 56.4% of Irish subsidiaries, and 62.2% of those in Canada. These findings suggest relatively large differences among the three host environments. Double-breasting occurred least often among subsidiaries operating in Ireland (47.2%) and most often among those based in Canada (67.5%); the United Kingdom fell slightly above Ireland (52.8%).

In terms of home-country effects, 46.3% of U.S.-based firms engaged with unions. This constituted the second-lowest percentage, behind only the Rest of World category. Union status was most likely to exist among firms from the United Kingdom (77.5%), followed by those from the Nordic region (67.9%), Germany (63.2%), and Other European countries (55.6%); only half of French MNCs formally engaged with unions. More than two-thirds of U.S. firms were double-breasted. Japanese firms were in fact most likely to be double-breasted (75.0%), and those from the Nordic region (60%) were, perhaps surprisingly, third most likely. German subsidiaries were double-breasted least often (25.0%).

We found strong sectoral differences in union status, though not in double-breasting. The percentage of service firms engaged with unions was roughly half that for production. Union status and double-breasting both trended upwards with subsidiary size. We found small differences in union status by product diversification but no trend regarding double-breasting. In addition, our results suggest that union status existed more often when subsidiaries were granted full discretion. Finally, while union status was unaffected by subsidiary integration, higher levels of upstream integration appeared to correspond with double-breasting.

Logistic Regressions for Full Models

We used logistic regressions to empirically test our models.⁸ We assigned each independent variable a reference category: home country (United States), host country (United Kingdom), sector (services), employment size (100–499), product diversification (a variety of products produced), discretion over union recognition (less than full), and value chain integration (no supply to or from other units within the parent company). We included seven hierarchical models that incrementally added blocks of variables, beginning with our host-country variables and adding subsequent blocks for home country, sector, size, product diversification, discretion, and value chain integration, until our final model was complete.

Table 2 documents our regression results for our union status model. Host-country location was highly influential on union status and was statistically significant at every regression increment. In our final model (column

⁸Another option would have been to run linear probability models. To test the robustness of our findings, we ran linear analysis across all models and found similar results. Because of the methodological advantages of using logistic methods for binary data, we report the logistic outcomes. Linear results are available on request.

Table 2. Hierarchical Logistic Regression for Union Status

Variable	(1)		(2)		(3)		(4)		(5)		(6)		(7)	
	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio
Host														
Canada	.744*** (.251)	2.103	.800*** (.261)	2.226	.739*** (.274)	2.094	.868*** (.282)	2.382	.826*** (.286)	2.284	1.081*** (.301)	2.948	1.084*** (.302)	2.955
Ireland	.420*** (.197)	1.522	.271 (.213)	1.312	.373* (.226)	1.452	.481** (.234)	1.617	.465** (.236)	1.592	.627*** (.245)	1.872	.676*** (.249)	1.965
Home														
France	—	—	.323 (.372)	1.382	.525 (.392)	1.690	.356 (.400)	1.427	.391 (.408)	1.478	.181 (.413)	1.198	.118 (.419)	1.125
Germany	—	—	.757** (.373)	2.133	.952** (.398)	2.591	1.270*** (.419)	3.559	1.287*** (.419)	3.622	1.161*** (.437)	3.192	1.117** (.439)	3.055
United Kingdom	—	—	1.281*** (.412)	3.528	1.678*** (.438)	5.357	1.739*** (.449)	5.689	1.708*** (.449)	5.516	1.471*** (.456)	4.354	1.334*** (.467)	3.797
Japan	—	—	.133 (.400)	1.142	.237 (.417)	1.267	.427 (.433)	1.532	.396 (.440)	1.485	.259 (.453)	1.296	.239 (.456)	1.270
Nordic	—	—	1.023** (.429)	2.782	1.099** (.449)	3.000	1.193*** (.452)	3.296	1.136** (.449)	3.113	.795* (.462)	2.214	.764* (.463)	2.147
Other European	—	—	.506* (.286)	1.659	.713** (.307)	2.039	.927*** (.316)	2.526	.900*** (.319)	2.459	.624* (.329)	1.867	.591* (.330)	1.806
Rest of World	—	—	-.097 (.406)	.908	.032 (.430)	1.033	.096 (.443)	1.101	.103 (.447)	1.109	-.007 (.462)	.993	-.057 (.465)	.944
Sector														
Production	—	—	—	—	1.418*** (.202)	4.128	1.561*** (.212)	4.766	1.625*** (.216)	5.080	1.678*** (.222)	5.356	1.742*** (.232)	5.711
Size														
500–999	—	—	—	—	—	—	.405 (.276)	1.499	.446 (.280)	1.562	.493* (.286)	1.637	.490* (.286)	1.633
1,000+	—	—	—	—	—	—	1.195*** (.236)	3.304	1.253*** (.243)	3.502	1.328*** (.247)	3.772	1.329*** (.249)	3.779

continued

Table 2. Continued

Variable	(1)		(2)		(3)		(4)		(5)		(6)		(7)	
	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio
Diversification														
Single product	—	—	—	—	—	—	—	—	**	1.477	*	1.522	*	1.500
									.390		.420		.405	1.500
									(.261)		(.266)		(.270)	
Dominant product	—	—	—	—	—	—	—	—	.615**	1.849	.574**	1.776	.565**	1.760
									(.265)		(.269)		(.269)	
Discretion									—	—	***	—	***	—
Full	—	—	—	—	—	—	—	—	—	—	.839***	2.315	.838***	2.313
									—	—	(.225)		(.226)	
Upstream Integration									—	—	—	—	—	—
Yes	—	—	—	—	—	—	—	—	—	—	—	—	—	.738
									—	—	—	—	—	(.237)
Downstream Integration									—	—	—	—	—	—
Yes	—	—	—	—	—	—	—	—	—	—	—	—	—	1.084
									—	—	—	—	—	(.254)
CONSTANT	-.129 (.127)	.879	-.366** (.164)	.693	-1.321*** (.227)	.267	-1.965*** (.276)	.140	-2.207*** (.298)	.110	-2.740*** (.343)	.065	-2.629*** (.395)	.072
N	522	—	522	—	522	—	522	—	522	—	522	—	522	—
Block χ^2	10.5***	—	19.5***	—	53.6***	—	27.4***	—	6.4**	—	14.3***	—	1.7	—
Model χ^2	10.5***	—	30.0***	—	83.9***	—	111.0***	—	117.4***	—	131.7***	—	133.4***	—
Nagelkerke R ²	.027	—	.075	—	.198	—	.256	—	.269	—	.298	—	.301	—
-2 Log Likelihood	710.4	—	690.9	—	637.3	—	609.9	—	603.5	—	589.1	—	587.5	—

Notes: Dependent variable: Is a union (or unions) recognized/certified for the purposes of collective bargaining? (0 = no; 1 = yes).

For each block of variables, asterisks above the block indicate the overall significance level.

*** = significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

7), we found that operating in the Canadian host context increased a subsidiary's odds of engaging with unions by a factor of 2.955 when compared with the U.K. ($p < .01$), and the Irish host environment raised odds by a factor of 1.965 when compared to the United Kingdom ($p < .01$).⁹

The MNC's home country also considerably affected union status. After controlling for other factors, German subsidiaries were more likely, by a factor of 3.055, than U.S. subsidiaries to have unions ($p < .05$). Also when compared against U.S. MNCs, union status was more likely to exist at U.K. MNCs operating in Canada and Ireland ($p < .01$), Nordic MNCs ($p < .10$), and Other European MNC subsidiaries located in Canada, Ireland, and the United Kingdom ($p < .10$), by factors of 3.797, 2.147, and 1.806, respectively.¹⁰ We found no difference between French, Japanese, and Rest of World MNCs when compared with U.S. MNCs.

We also found a large sector effect on union status. In the final model, production firms were more likely by a factor of 5.711 to have unions than service firms ($p < .01$). In addition, we found a size effect, with medium ($p < .10$) and large ($p < .01$) firms more likely to have unions than small firms. Product diversity was significant as well: firms having one dominant product were more likely ($p < .05$) to engage in collective bargaining than those with a variety of products. Discretion also proved influential and positive ($p < .01$) on union status: The odds of unions having formal status where firms granted full discretion over recognition were more than twice those where discretion was constrained or absent.¹¹

Table 3 provides the results for double-breasting. We found only a small host-country effect on double-breasting. In our final model, firms operating in Canada were more likely, by a factor of 2.736, to be double-breasted than the U.K. reference point ($p < .05$). We found no difference, however, between Ireland and the United Kingdom, and the overall explanatory power of the host environment on double-breasting was relatively weak.

Unlike the effect of host country, an MNC's home country was highly influential. MNCs originating in France ($p < .10$), Germany ($p < .05$), the United Kingdom ($p < .05$), and Other European Countries ($p < .05$) were far less likely to be double-breasted than the U.S. reference point. German MNCs were the least likely to be double-breasted when compared against

⁹The final host-country results appear to be slightly inflated by suppressor variables. Although both Canada and Ireland each differ from the U.K. base, this difference is magnified when organizational policy variables are included. The Irish effects also appear to be moderated by home country. These results are confirmed within the individual host-country regressions.

¹⁰In order to exclude the possibility that home-country effects are a manifestation of industry differences (in particular, that the concentration of German MNCs in production is the source of a German origin effect on union status), we ran interaction terms combining German origin and production sector. This interaction term did not change the results.

¹¹In addition to the dichotomous measure of discretion, we ran tests with discretion modeled as a continuous variable, from *no* or a *little discretion* over union recognition to *full discretion*, with *some* and *quite a lot* as intermediate steps, and we categorized, comparing each step against a reference point of *full*. In all cases, results were similar to those reported here. These tests are available on request.

Table 3. Continued

Variable	(1)		(2)		(3)		(4)		(5)		(6)		(7)	
	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio
Diversification														
Single product	—	—	—	—	—	—	—	—	-.949** (.477)	.387	-.956** (.480)	.384	-.964* (.497)	.381
Dominant product	—	—	—	—	—	—	—	—	-.433 (.370)	.648	-.432 (.370)	.650	-.433 (.378)	.649
Discretion														
Full	—	—	—	—	—	—	—	—	—	—	-.042 (.351)	.959	-.034 (.358)	.966
Upstream Integration														
Yes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	.992** (.389)	2.698
Downstream Integration														
Yes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	-.208 (.408)	.812
CONSTANT	.134 (.211)	1.143	.553 (.280)	1.739	1.031** (.411)	2.803	.455 (.507)	1.576	.795 (.544)	2.214	.827 (.606)	2.286	.468 (.674)	1.598
N	207	—	207	—	207	—	207	—	207	—	207	—	207	—
Block χ^2	3.7	—	22.2***	—	2.7*	—	5.0*	—	4.6	—	0.0	—	6.9**	—
Model χ^2	3.7	—	25.9***	—	28.6***	—	33.6***	—	38.2***	—	38.2***	—	45.1***	—
Nagelkerke R ²	.023	—	.157	—	.173	—	.200	—	.225	—	.225	—	.262	—
-2 Log Likelihood	281.9	—	259.7	—	257.0	—	252.0	—	247.4	—	247.4	—	240.5	—

Notes: Dependent variable: Does the company concurrently operate union and nonunion sites? (0 = no; 1 = yes). For each block of variables, asterisks above the block indicate the overall significance level. *** = significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

U.S. MNCs. Home country was the most powerful factor in explaining double-breasting, as measured by block chi-square differences.

We found sector and size effects in our final model. Production firms were considerably less likely ($p < .05$) to be double-breasted than service firms, and the largest firms more likely by a factor of 1.928 ($p < .10$) to have both union and nonunion operations.¹² Subsidiaries with a single product were less likely ($p < .10$) to be double-breasted, with an odds ratio of 0.381, though the overall influence of product diversification was small. Discretion did not influence double-breasting. Finally, supply to other sites within the parent firm was significant and positive ($p < .05$) in affecting double-breasting.

Discussion of Full Regression Results

Home-country effects (Hypotheses 1a and 1b) were largely confirmed. MNCs originating in Germany, the Nordic region, other (continental) European countries, as well as the United Kingdom, were substantially more likely to have a union presence than those from the United States. The findings support a key argument of this article: Within LME host environments, U.S. subsidiaries differ in their union status levels when compared against those from other home countries, particularly CMEs. The hypotheses, however, are not fully confirmed. We found no significant differences between French or Japanese and U.S. MNCs; our findings for Japanese MNCs are supported by prior work (Marginson et al. 2010).

Home country yielded fairly intuitive results for double-breasting. Perhaps most surprising was that Nordic MNCs were equally as likely to be double-breasted as U.S. MNCs. This may suggest some support for our hypothesis regarding institutional distance (Hypothesis 3a). Consistent with other findings (Tüselmann et al. 2007), however, German MNCs did not appear to be seeking to exploit institutional distance in order to influence either union status or double-breasting. Further, the greater propensity for union status and lower double-breasting levels among U.K. MNCs than among their U.S. counterparts indicates that not all LMEs exert similar home-country effects. This reflects the differences in domestic arrangements underscored by Freeman et al. (2007). Therefore, our findings do not substantially support Hypothesis 3a.

Our host-country outcomes broadly confirm that differentiating between LME institutional contexts is productive (Hypothesis 2). Our finding that union status is stronger in Canada than in Ireland is consistent with Ireland's

¹²In order to test whether double-breasting simply reflects the number of sites in a subsidiary (more sites increasing the odds of a nonunion presence), we ran a regression that, in addition to controlling for size, included a categorization of firm sites (for Canada this question was asked only of sites with more than 10 employees). Although the number of sites positively affected double-breasting, the results for the other variables remained similar to those reported in Table 3 (sector effects were slightly diminished, and large size moved from modestly significant to nonsignificant, though this is likely an effect of collinearity). As such, our results are robust irrespective of a firm's number of sites. This regression is available on request.

greater exposure to FDI—by U.S.-based MNCs in particular (Hypothesis 3b)—and with the protection that Canada’s legally based arrangements afford to union certification. But the finding that union status is least common in the United Kingdom is at odds with our reasoning on economic dominance. This suggests that the effect of Canada’s legally based arrangements counteracts any influence of economic dominance, while the effect of the United Kingdom’s recent statutory procedures does not. In contrast to Canada’s highly decentralized bargaining arrangements, the existence of multisite bargaining within U.K. (and Irish) subsidiaries appears to have little effect on union status but may protect against double-breasting. Our findings confirm that double-breasting is most common in Canada, and this conclusion aligns with our institutional reasoning about the impact of split jurisdictions in a federal system.

Regarding our micro-level or organizational variables, our results confirm the importance of sector effects (Hypothesis 4) and of product diversity (Hypothesis 5). But our findings on the impact of subsidiary integration into the international operations of the parent company (Hypothesis 7) are mixed: Supplying to other sites within the MNC, or upstream integration, was significant for double-breasting but not for union status, possibly translating cost pressures. Downstream integration (i.e., being supplied by other sites in the MNC) was not significant.

Our results strongly support the contention that higher levels of subsidiary discretion positively influence union status (Hypothesis 6). The same effect does not appear to be at play in the case of double-breasting, a result we did not predict, and this finding is noteworthy. Its implications are that enhanced discretion for subsidiary managers is favorable to union status and that intervention in subsidiary policy by parent company management may work against local conventions, which, in the absence of tighter centralized control, would favor union status. Aligning with Ferner et al.’s work (2001, 2005) and broader arguments about subsidiary managers seeking to manage conflicting pressures from corporate and local environments (Morgan 2011), our findings indicate that policy discretion interacts with factors specific to each political economy, even after we account for home-country influences.

Influences on Union Status within Host Contexts

Our results provide support for our prediction that there are indeed host differences that affect union status within MNC subsidiaries. Nevertheless, the question remains: To what extent do predictors of union status vary within each host environment?¹³ To answer this question, we created subsets where, in each host context, we analyzed the determinants of union status

¹³We did not conduct a host subset analysis of double-breasting because of the low number of host-country effects measured, the context-dependent definitions of the term, and methodological concerns over sample size.

Table 4. Logistic Regressions for Union Status in Host-Country Subsets

Variable	CANADA		IRELAND		United Kingdom	
	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio	B (S.E.)	Odds Ratio
Home		—	***	—		—
Continental Europe	-.081 (.765)	.922	1.325*** (.475)	3.763	.576* (.346)	1.779
Other Anglo-American	-.367 (1.070)	.693	1.772*** (.566)	5.884	.481 (.666)	1.618
Sector	***	—	***	—	***	—
Production	1.772*** (.664)	5.884	2.332*** (.445)	10.293	1.811*** (.376)	6.116
Size		—	**	—	***	—
500–999	1.109 (.866)	3.031	-.200 (.514)	.819	.793* (.467)	2.211
1,000+	1.012 (.625)	2.751	1.115** (.465)	3.049	1.441*** (.365)	4.225
Diversification	*	—	—	—	**	—
Single product	1.835** (.754)	6.262	.064 (.483)	1.066	-.179 (.448)	.836
One dominant product	.274 (.711)	1.315	.105 (.481)	1.111	1.017** (.426)	2.765
Discretion	**	—	**	—	**	—
Full	1.854** (.763)	6.385	.801** (.396)	2.228	.703** (.351)	2.019
Upstream Integration		—	—	—		—
Yes	-.725 (.598)	.484	-.493 (.472)	.611	-.024 (.371)	.976
Downstream Integration		—	—	—		—
Yes	-.396 (.664)	.673	.369 (.428)	1.446	.176 (.433)	1.193
CONSTANT	-1.212 (.932)	.298	-2.261*** (.679)	.104	-2.909*** (.585)	.055
N	87	—	174	—	223	—
Model χ^2	23.4***	—	58.6***	—	57.7***	—
Nagelkerke R ²	.328	—	.384	—	.304	—
-2 Log Likelihood	87.3	—	178.7	—	250.4	—

Notes: Dependent variable: Is a union (or unions) recognized/certified for the purposes of collective bargaining? (0 = no; 1 = yes).

For each block of variables, asterisks above the block indicate the overall significance level.

Significance levels: *** = .01 level; ** = .05 level; * = .10 level.

in each individual host country. Our logistic regressions in these analyses mirror, for the most part, our earlier regressions. The final model outcomes for each subset are reported in Table 4.¹⁴

The Canadian subset regression fits the data well and passes all requisite tests. In terms of home country, we found no significant difference in union status for MNCs originating in continental Europe or Other Anglo-American countries when compared with the U.S. reference point.¹⁵ We did find, however, a significant sectoral difference: Union status was more likely to exist among production firms than among service firms by a factor of 5.884 ($p < .01$). Subsidiaries producing a single product were more likely by a factor of 6.262 ($p < .05$) to recognize unions than subsidiaries offering a variety of products, and subsidiaries with full discretion were also more likely, by a

¹⁴The only variable we could not duplicate was home country. In the Canadian and Irish cases, the n values were too small when we partitioned the sample into eight unique home categories. To overcome this, we collapsed the variable into three broad classifications. For the U.K. subset, we used the collapsed variable but also ran a separate regression that included seven home countries (see footnote 16).

¹⁵The Other Anglo-American category includes subsidiaries from Australia, Canada, Ireland, South Africa, and the United Kingdom. In each subset, MNCs from the particular host country were excluded. Japanese and Rest of World firms were also excluded from the analysis (except in the additional U.K. tests discussed in footnote 16).

factor of 6.385 ($p < .05$), to have unions than those with less than full discretion. The production network variables were not significant.

For Ireland, home country was a highly significant predictor of our dependent variable. Union status was more likely, by a factor of 3.763, to exist at MNCs originating in continental Europe than those from the United States and also more likely, by a factor of 5.884, among firms from Other Anglo-American countries ($p < .01$ for both). Sector also influenced union status, with production firms substantially more likely to recognize unions than service firms ($p < .01$). Large subsidiaries were more likely to have unions, by a factor of 3.049, than small subsidiaries ($p < .05$). There was no product diversification effect in Ireland. But discretion was significant: Subsidiaries that have full discretion were more likely, by a factor of 2.228 ($p < .05$), to recognize unions than subsidiaries with less than full discretion. Again, the production network variables were not significant.

Within our U.K. host subset, the broader classification of home country was only just significant, with continental European MNCs more likely, by a factor of 1.779, to have unions than U.S.-based MNCs ($p < .10$).¹⁶ Firms operating in the production sector were more likely, by a factor of 6.116, to have unions than those within the services sector ($p < .01$). Union status was more likely at large ($p < .01$) and medium-sized ($p < .10$) subsidiaries than at small ones. Subsidiaries having a dominant product were more likely, by a factor of 2.765 ($p < .05$), to have unions than those with a variety of products. Finally, although the production network variables were not significant, subsidiaries with full discretion were more likely, by a factor of 2.019 ($p < .05$), to have unions.

Discussion of Host Subset Results

Two factors cut across the three national contexts in the host analyses. The first is sector, where production is consistently associated with increased odds of union status. The second is subsidiary policy discretion, which also translates into a greater likelihood of union status in each national context. This is an important finding because it highlights the filtering or interpretative role potentially played by subsidiary managers. Further, the country-specific analyses point to the importance of host-country institutional effects. In particular, they emphasize the different ways national contexts, economic dominance, and organizational structures, policies, and strategies influence union status in each of the three national settings.

Ireland presents the most compelling case in terms of U.S. FDI effects on union status. Our findings underscore those of other studies showing U.S. MNCs to have lower relative levels of unionization (Gunnigle et al. 2001). Intriguingly, such substantial U.S. MNC home-country effects are observed only in Ireland, where economic dominance through FDI is strongest

¹⁶When we ran a regression that included seven home-country categories, we found that union status was more likely in German MNCs than the U.S. base ($p < .05$). This regression is available on request.

Table 5. Means, Standard Deviation (SD), and Correlations for Independent Variables

Variable	Mean	SD	1	2	3	4	5	6	7
1 Home country: United States	0.5	0.5	1						
2 Home country: France	0.07	0.25	-0.27*	1					
3 Home country: Germany	0.07	0.25	-.27*	-0.07	1				
4 Home country: United Kingdom	0.08	0.27	-.29*	-0.08	-0.08	1			
5 Home country: Japan	0.06	0.23	-.25*	-0.07	-0.07	-0.07	1		
6 Home country: Nordic	0.05	0.23	-.24*	-0.06	-0.06	-0.07	-0.06	1	
7 Home country: Rest of Europe	0.12	0.33	-.37*	-.10*	-.10*	-.11*	-.09*	-.09*	1
8 Home country: Rest of World	0.05	0.23	-.24*	-0.06	-0.06	-0.07	-0.06	-0.06	-.09*
9 Host country: United Kingdom	0.48	0.5	-0.04	.10*	0	-.28*	.11*	.11*	0.03
10 Host country: Canada	0.18	0.38	.14*	-0.01	-0.07	0.03	-0.01	-.09*	-.09*
11 Host country: Ireland	0.34	0.48	-0.07	-.10*	0.06	.27*	-.13*	-0.05	0.04
12 Sector	0.59	0.49	.10*	-0.04	-0.02	-.09*	-0.01	0.03	-0.04
13 Size: 100 to 499	0.52	0.5	-0.07	-0.07	0.09	-0.01	0.02	0.02	0.08
14 Size: 500 to 999	0.16	0.37	0.02	-.10*	-0.01	-0.03	0.05	-0.03	0.03
15 Size: 1,000+	0.32	0.47	0.06	.15*	-.09*	0.03	-0.06	0	-.10*
16 Single product	0.21	0.4	-0.05	-0.02	-0.01	0.01	0	-0.06	0.08
17 One dominant product	0.19	0.4	-0.01	-0.03	0	0.04	0.03	0.08	-0.02
18 Variety of products	0.6	0.49	0.04	0.05	0	-0.04	-0.02	-0.02	-0.05
19 Discretion	0.57	0.5	-.30*	0.06	0.05	0.07	0.03	.17*	.17*
20 Supplies to other sites	0.64	0.48	.20*	-0.09	-0.02	-.20*	0.03	0	-0.05
21 Supplied by other sites	0.75	0.43	-0.03	-0.04	0.01	0	.10*	0.06	-0.06

*Statistically significant at the 0.05 level.

(Proposition 1). The institutional latitude for union avoidance on the part of U.S. subsidiaries in Ireland is likely further facilitated by its more voluntary and permissive IR system. Union status effects, however, are not entirely system-dependent because several organizational characteristics remain influential, regardless of institutional permissiveness.

In contrast, our findings for Canada, where we also anticipated economic dominance effects to be expressed through U.S. home-country influences, do not support this contention (Proposition 2). The institutional latitude for union avoidance seems to be constrained by the legal framework underpinning union status (Proposition 3). Micro-level variations exercise a more prominent influence. The findings for subsidiary discretion are particularly strong and potentially highlight the importance of subsidiary managers, both in navigating the multiple jurisdictional requirements of the decentralized federalist labor relations regime and in interpreting the more substantial legal affirmation of the right to unionize in Canada.

In the United Kingdom, although we found a positive union status effect among continental European, particularly German, MNCs (see footnote 16), the preference of U.S. MNCs for lower levels of formal union status might have been expected to show through more strongly because the IR system continues to be largely voluntary. The U.K. results, therefore, suggest comparatively less U.S. MNC home-country effect than the results for its smaller and more internationally exposed Irish neighbor. As with Canada, union status is determined more by organizational characteristics and policies than home-country practices.

8	9	10	11	12	13	14	15	16	17	18	19	20	21
1													
0.05	1												
-0.05	-.45*	1											
-0.01	-.69*	-.34*	1										
-0.03	0.01	.11*	-.10*	1									
-0.03	-0.06	-0.01	0.06	0.04	1								
0.06	-0.01	0.01	0	0.01	-.45*	1							
-0.02	0.08	-0.02	-0.07	-0.05	-.72*	-.30*	1						
0.07	-.8	0.05	0.04	0	.20*	-0.05	-.18*	1					
-0.07	-0.02	0.02	0	-0.08	-0.05	0.01	0.04	-.25*	1				
0	0.08	-0.06	-0.04	0.06	-.13*	0.03	.11*	-.63*	-.60*	1			
0	.22*	-.21*	-0.06	-0.03	0.04	-0.01	-0.03	-0.03	0.07	-0.03	1		
-0.05	-0.04	-0.02	0.05	.26*	0.03	0	-0.04	-0.07	-0.04	.09*	-0.07	1	
0.02	0.08	0	-0.09	.17*	0.05	0	-0.06	-.14*	0.01	.11*	-0.08	.27*	1

Conclusions

Several important conclusions emerge from our analysis. The MNC subsidiaries investigated in these three LMEs—Canada, Ireland, and the United Kingdom—are in many respects quite similar. Although union presence is a minority phenomenon in the private sector in each country, MNCs stand out as frequently having formal union status in some part of their subsidiary operations. That said, there is also considerable within-system variation among these LMEs. Our examination of that variation in union status and double-breasting confirms our two major contentions. First, as revealed by the cross-national outcomes of the three host contexts, multiple strands of analysis are necessary to take account of the determination of IR practices in the foreign operations of MNCs. Second, these different sources of influence appear to vary in relation to the particularities of institutional context and their respective political economies, but also to converge in ways that cut across the three national contexts.

Our study highlights the importance of both institutional (macro) and organizational (micro) effects in understanding union status and double-breasting at MNC subsidiaries. Institutional effects appear to come as much from the host country as from the MNC’s country of origin. Organizational effects are manifested by the classic size and sector determinants, product diversity, and the extent of local discretion over employment relations policy. Local discretion is of particular importance because it highlights the potential importance of a subsidiary manager’s decisions in balancing

conflicting pressures from MNC headquarters and local institutional practices.

Our analysis is unique in its ability to account for variation in institutional latitude among ostensibly similar types of economies. The apparent tendency of the Irish IR system to encourage home-country effects in the behavior of MNCs' Irish subsidiaries is particularly striking. In contrast, Canada does not demonstrate similar latitude for such practices. In these environments union status at subsidiaries is heavily influenced by organization-specific factors, and possibly this highlights the constraining effects of Canada's legally based unionization status regime and, of course, the social norms underlying that regime.

Our findings are not without limitations, and these point to the need for further research into the determinants of union status within MNC subsidiaries. First, while our unit of analysis offers a unique perspective on the behavior of a subsidiary as a whole it does not shed light on the means through which union status is achieved or, more specifically, on the precise extent and nature of employer opposition to organizing drives at site level. Second, our study captures only a single moment in time, and in-depth longitudinal case studies of a single firm or set of firms that involve participation by multiple IR actors at different levels, including both headquarters and subsidiaries, would yield a more comprehensive understanding of specific firm practices over time.¹⁷ Third, we include a relatively limited account of sector effects (only production versus service), and future work might more clearly distinguish particular industry effects. Fourth, in our sample the vast majority of MNCs are headquartered in the most developed economies, and we are unable to provide a strong account of union status at MNCs originating in emerging economies. In light of the growing importance of emerging-economy MNCs, future studies might usefully examine in such companies the same combination of institutional (macro) and organizational (micro) influences used here. Finally, there may also be factors beyond our data set that influence our dependent variables, notably particular nuances within each host IR system that might impact our analysis of both the entire sample and the host subsets.

These considerations notwithstanding, our results make important contributions to larger debates about MNC behavior. In particular, they reinforce the contention that because multiple determinants are at work, researchers need to move away from oversimplifications of types of economies in order to embrace the complex interface between macroinstitutional and micro-organizational effects. A robust analysis of union status and double-breasting determinants within liberal market economies must include an awareness of differences in host economies and systems. It must incorporate a nuanced consideration of home-country practices and an understanding of various

¹⁷See, for example, Almond et al.'s (2005) work on HR/IR in one large U.S. information technology company with operations in four European countries or Almond and Ferner's (2006) study of IR at U.S. MNCs in Europe.

organizational structures and policies and the ways they are contested by various actors in the management of MNC subsidiaries.

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