Employee voice in multinational companies in Ireland

Jonathan Lavelle, Patrick Gunnigle & Anthony McDonnell
Department of Personnel and Employment Relations,
University of Limerick,
National Technological Park
Limerick
Ireland
Tel: +353 (0) 61-202666
Fax: +353 (0) 61 202572

Email: Jonathan.Lavelle@ul.ie Patrick.Gunnigle@ul.ie Anthony.McDonnell@ul.ie

WORKING PAPER

1 The authors would like to acknowledge the support received from the Irish Research Council for the Humanities and Social Sciences, the Labour Relations Commission and the University of Limerick Research Office.
2 This paper is not to be quoted or cited without the prior permission of the authors.
Introduction

Multinational companies (MNCs) are widely seen as employing differing arrangements with regard to employee voice. These are most likely to be manifest in the acceptance or avoidance of collective employee representation via trade unions and differing preferences with respect to the extent and nature of direct forms of consultative voice. However, we have few, if any, representative studies of the patterns of employee voice in MNCs of different nationality operating in a particular host environment.

Several studies have looked at the issue of representation and voice arrangements of the Irish operations of MNCs (Gunnigle, 1995; Roche and Geary, 1996; Turner et al., 1997a; Turner et al., 1997b; Geary and Roche, 2001; Gunnigle et al., 2001; Geary and Roche, 2005; Gunnigle et al., 2005; Dundon et al., 2006; Geary, 2007; Lavelle and Gunnigle, 2007; Collings et al., 2008). Whilst this literature has been informative, it suffers from a number of shortcomings. Firstly much of the research to date has centred on collective representation, i.e. trade union recognition (Roche and Geary, 1996; Turner et al., 1997a; Turner et al., 1997b; Geary and Roche, 2001; Turner et al., 2001). Thus less of a focus has been placed on other voice mechanisms, particularly direct mechanisms of employee voice. Secondly much of the existing research on MNCs in Ireland is largely based on unrepresentative listings of the MNC population in Ireland and thus cannot present a full picture of practice in these firms (see McDonnell et al., 2007 for full discussion). Finally, very little is known about the relationship between direct and indirect employee voice mechanisms within MNCs or the relative emphasis placed on either of these arrangements with the exception of Dundon et al. (2006) and Geary (2007). Thus the aim of this paper is to address this gap in the literature by examining employee voice in MNCs operating in Ireland.

Ireland represents an interesting locale for the study of MNCs preferences for employee voice mechanisms for two reasons. Firstly Ireland has had huge success in attracting inward foreign direct investment (FDI) by foreign-owned MNCs. The cumulative stock of inward direct
investment in Ireland was US$211 billion in 2005, which is triple the European Union (EU) average in terms of its proportion of GDP, with over half of this investment coming from the US and a quarter from the UK (Forfas, 2007). In terms of employment and FDI, the proportion of employment in foreign-owned companies, as a percentage of total international traded related employment in Ireland, is the highest in the world (UNCTAD, 2007). Indeed some commentators describe Ireland as being one of the most MNC dependent economies in the world (Gunnigle et al., 2005). Secondly Ireland’s industrial relation system is characterised by its voluntary nature (Von Prondzynski, 1998), with relatively few pieces of statutory legislation encroaching on industrial relations within the workplace. As a result, organisations are largely free to shape their approach to industrial relations and equally free to choose their approach to employee voice.

Drawing upon findings from the first large-scale survey of employment practices in MNCs operating in Ireland we aim to examine employee voice mechanisms amongst in these organisations. More specifically we aim to classify MNCs approaches to employee voice mechanisms of MNCs in Ireland and to note variations therein. The next section defines employee voice in the context of this paper and reviews the extant literature. It also discusses some recent developments regarding employee voice in Ireland. The methodology employed is then explained followed by a description of the framework used to examine employee voice. The results are then outlined followed by a discussion and conclusions.

**Employee voice in Ireland**

There is no agreed definition of employee voice, and various terms have been used to describe the range of mechanisms by which employees may or may not have a voice within their workplace (Dundon et al., 2004). Boxall and Purcell (2003, p. 162) define voice as ‘a whole variety of processes and structures which enable, and at times empower employees, directly and indirectly, to contribute to decision-making in the firm’. However at the most basic level it is possible to distinguish between two types of employee voice. The first is
indirect employee voice, which is channelled through trade unions, joint consultative committees (JCCs), non-union structures of collective representation and EWCs. The other is direct voice through mechanisms such as self-directed teams, problem solving groups, quality circles, attitude surveys, suggestion schemes, appraisal systems and meetings with managers and the whole of the workforce. However despite the vast array of employee voice mechanisms, existing research of MNCs in Ireland have tended to focus on the trade union channel. This is in line with an apparently similar trend within Europe, where there is a posited over emphasis on the trade union channel of voice despite the increased recognition that multiple voice channels may be the norm (Wood and Fenton-O'Creevy, 2005, p. 29).

The traditional method of employee voice in MNCs operating in Ireland was through trade unions and much debate has occurred over their role in foreign-owned companies in Ireland. Kelly and Brannick (1985) in their study of MNCs found all 27 MNCs examined recognised a trade union. Similarly Enderwick (1986) found no evidence to suggest that foreign-owned companies demonstrated a reluctance to deal with or recognise trade unions. This early research is often referred to as the conformance thesis, which is foreign-owned companies’ largely “conformed” to the prevailing pluralist traditions of the Irish industrial relations system. However this view of the conformance thesis was questioned in a review of Irish industrial relations. Roche and Geary (1996) outlined that, there was evidence that suggested foreign-owned companies were no longer prevailing to the existing industrial relations norms in Ireland, for example foreign-owned companies were much more likely to have single union recognition deals. This view of foreign-owned companies differing in their approach to dealing with trade unions was corroborated by work on Greenfield sites where Gunnigle (1995) pointed toward a growing trend of union avoidance, particularly among US-owned companies. However, in a study of large organisations operating in Ireland Turner et al., (1997a) could find no statistically significant evidence to suggest that foreign-owned companies were less likely to recognise unions. Nonetheless it appeared that the trend of union avoidance among foreign-owned companies was increasing. This trend was
substantiated by Geary and Roche (2001) and Gunnigle et al., (2001) who noted that there was trend of non-unionism among newer workplaces in Ireland. Indeed Gunnigle et al., (2005) in case study research pointed to a growing phenomenon of ‘double-breasting’ whereby previously unionised companies establish newer sites on a non-union basis (cf. Beaumont and Harris, 1992). The most recent and comprehensive research on MNCs and union recognition found quite a considerable difference between foreign and Irish-owned MNCs, with 56 per cent of foreign-owned companies engaging with trade unions compared with 81 per cent of Irish MNCs (Lavelle, 2008). Furthermore the development of double-breasting arrangements was also prominent, particularly among US-owned MNCs, with almost six in ten MNCs engaging such a practice (Lavelle, 2008). Thus whilst traditionally foreign-owned companies have engaged with trade unions more recent evidence suggests an increasing trend of union avoidance amongst these companies with the effect of a diminished role for trade unions in these organisations.

Very little is known on other forms of indirect employee voice mechanisms, particularly among MNCs in Ireland, mainly due to the fact that unions fulfilled this role of indirect representation and much of the research has focused on this method. Notwithstanding this some of the research has covered indirect mechanisms (Turner et al., 1997a; Turner et al., 1997b; Geary and Roche, 2001; Geary, 2007). Turner et al., (1997a) looking at the incidence of joint consultative committees/works councils, observed that these structures were more likely to be found in Irish-owned organisations (43 per cent) than in US-owned organisations (23 per cent) and European organisations (16 per cent). Geary and Roche (2001) also noted the existence of consultative committees/works councils within workplaces in Ireland, but found them to be more prevalent among foreign-owned companies (25.7 per cent) than Irish-owned companies (12.4 per cent). Geary (2007) observed that non-union employee committees, which are non-union collective structures that exist in both union and non-union workplaces were quite rare but where they were present they were marginally more likely to be found in unionised workplaces, and considerably more likely in foreign-owned companies.
and larger workplaces. Often these structures are seen as an attempt to marginalize the role of unions; Gunnigle et al., (2001) noted the emergence of alternative representative forums for employees were being used as a union avoidance strategy. Very little is known about the incidence of EWCs among MNCs operating in Ireland. O’Hagan (2005) looked at the implementation of the EWC Directive in Ireland and noted that out of a possible 40 MNCs, which stated their country of origin was Ireland; just five had established a EWC (Kerckhofs, 2002). She observed that compared to other member states this is a very low “hit rate” (O’Hagan, 2005, p. 399). Dobbins notes that in all, 560 companies, covering foreign and Irish owned-companies, operating in Ireland are covered by the EWC Directive, of which 297 have established EWCs (Industrial Relations News, 2006). This means that foreign-owned subsidiaries operating in Ireland have a much higher compliance rate than indigenous multinationals (Industrial Relations News, 2006).

Whilst much debate has occurred around trade union recognition in foreign-owned companies we have also witnessed an increase in the use of direct employee voice methods. Indeed in the mid-1990s Roche and Geary (1996) observed that quality circles, suggestion schemes, attitude surveys were more widely used in foreign-owned companies and that these companies had a preference for dealing with their employees directly, rather than through a trade union. Similarly Gunnigle (1995) pointed towards a management focus on more direct communications with individual employees, particularly among US-owned companies. Indeed he posited that the use of these direct communications in non-union companies was an attempt to individualise the employment relationship and maintain non-union status. A survey by Williams et al., (2004) noted that 62 per cent of all private sector companies reported the use of direct involvement arrangements. Gunnigle et al., (2001) pointed towards the use of autonomous work groups, job enrichment, job rotation or briefing groups, particularly within non-union companies. Furthermore Geary and Roche (2001) examined a number of direct employee voice practices including team briefing, attitude surveys, task forces, suggestion schemes and joint consultative committees/works councils and found that foreign owned
companies were much more likely to have them. One of the most comprehensive pieces of research on participation in the workplace was the European Foundation for the Improvement of Living and Working Conditions (EFILWC) study, which looked at the extent and nature of task participation among Irish companies (EFILWC, 1997). Looking at consultative participation, it found that ‘temporary groups’ which are project groups or task forces were found in 36 per cent of firms whilst permanent groups such as quality circles were present in 28 per cent of firms. Thus it would appear that the use of direct methods of employee voice are on the increase but very little is known on the types and incidences of these direct mechanisms within MNCs.

The most recent research on employee voice mechanisms in MNCs is case study research by Dundon et al., (2006) and survey research by Geary (2007). Dundon et al., (2006) conceptualised the dynamics of information and consultation into a number of organisational types. Focusing on the foreign-owned MNCs of their study, a majority of them were characterised as the “managerial-sponsorship partnership” type - the coexistence of indirect and direct information and consultation mechanisms which were shallow in depth and limited in scope. The second largest group of MNCs were characterised as the “non-union substitution” type, which means that the information and consultation arrangements are limited in scope and depth and take the form of direct mechanisms. Indeed they noted that American-owned non-union MNCs utilised a range of sophisticated union substitution voice mechanisms including non-union employee consultative committees, team briefings, and a variety of employee speak-up programmes combined with more attractive employment package for workers. Just one MNC was characterised as a “robust-union management partnership” type, which are the coexistence of indirect and direct information and consultation mechanisms and a further one characterised as an “incorporationist” type, which is the use of collectivist (union) forums alongside direct information and consultation mechanisms. Overall Dundon et al., (2006) point towards a preference among the case studies for communication and information channels rather than consultative type mechanisms. Thus
it appears that there is a growing trend of a mix of direct and indirect mechanisms for employee voice. Indeed Wilkinson et al. (2004) suggest that “a new generation of line managers, union representatives and employees appear more at ease with a set of inclusive (direct and indirect) rather than exclusive (direct versus indirect) voice practices (2004, p. 314).

Geary (2007) examined the provisions for employee voice in Irish workplaces. One of the significant findings of this research was the identification of an unsatisfied demand for union voice among workers, referred to as a “representation” gap. Geary (2007) posits that because of management antipathy towards trade unions, workers are either fearful of the consequences of joining a union or feel there’s no point in being a member without employer support. He argues that employers are placing a greater emphasis upon direct employee involvement practice, even within unionised companies, as well as exhibiting a confidence and assertiveness in introducing change on the basis of managerial prerogative (Geary, 2007, p. 102). This would appear to resonate with Dundon et al., (2006) findings where there is an emphasis on direct methods of voice, largely at the expense of trade unions.

Two major developments have occurred in recent times that have impacted upon voice mechanisms for workers in Ireland. The first is the marked decrease in the role of trade unions within the workplace. Employee voice traditionally in Ireland has been “synonymous with union voice” (Geary, 2007, p. 98) however trade union density has fallen from a high of 62 per cent in 1980 down to just 35 per cent in 2004 (Gunnigle et al., 2006). The second major development is the introduction of both the European Works Council (EWC) Directive (94/45/EC) and the Information and Consultation (I&C) Directive (2002/14/EC) into Irish law, in 1996 and 2006 respectively. Both these developments have served to focus attention on employee voice mechanisms within companies operating in Ireland.
However whilst the above literature is useful, it fails to provide a representative picture of the types of employee voice practices employed by MNCs operating in Ireland. Furthermore, with the exception of Dundon et al., (2006), the literature fails to examine the balance between indirect and direct methods of employee voice. Given this lacuna coupled with the recent falling union density and the introduction of EU Directives in the sphere of employee involvement and representation, an exploration of employee voice mechanisms in MNCs is timely. The objectives of this paper are two-fold:

1. to profile the incidence of indirect and direct employee voice mechanisms within MNCs and
2. to examine the different approaches of MNCs in Ireland towards employee voice.

Methodology

This paper draws upon on the first representative survey of MNCs operating in Ireland (see Gunnigle et al., 2007). The research process involved two stages. The first stage was to identify a comprehensive database of MNCs operating in Ireland. To date no comprehensive list of MNCs operating in Ireland exists with much of the extant research on MNCs in Ireland based on unrepresentative databases (McDonnell et al., 2007). Thus the first task in developing a comprehensive listing of MNCs in Ireland was to define a MNC. The research distinguishes between foreign and domestic owned MNCs:

- Foreign-owned MNCs: All wholly or majority foreign-owned organisations operating in Ireland, with 500 or more employees worldwide and 100 or more employed in their Irish operations.
- Irish-owned MNCs: All wholly or majority Irish-owned organisations with 500 or more employees worldwide and at least 100 employed abroad.
Having defined the MNC, every available source, including the industrial promotional agencies (e.g. IDA Ireland and Enterprise Ireland), a private consultancy firm specialising in company information, the publication ‘Major Companies of 2005’, and the Irish Times list of Top Companies were used. Each of the sources taken on their own did not provide an adequate picture of MNCs in Ireland. Having combined the lists and adjusted for double counting, what is believed to be the first comprehensive list of MNCs operating in Ireland was developed, recording 563 foreign and Irish-owned MNCs. In order to present a representative picture of MNCs in Ireland the total population was stratified by country of ownership, sector and size, giving a sample of 423 companies. The difference between the total population and the stratified population is largely a result of the “stratifying out” of US MNCs, who dominate the number of MNCs operating in Ireland. Of the 423 companies, 46 were subsequently removed from the population due to a) going out of business, b) not meeting the selection criteria or c) double-counting. This left a total of 377 companies. An additional 37 companies were subsequently added from the residual population to compensate for these losses, bringing the total valid sample of companies to 414. A total of 260 interviews were carried out giving a response rate of 63 per cent. For the purposes of this paper we focus specifically on four different countries, namely Ireland, the USA, the UK and Germany, giving a total of 202 MNCs. The survey responses are broadly representative of the total population and for the purposes of this paper have not been re-weighted.

<table>
<thead>
<tr>
<th>Country</th>
<th>n (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>47 (23%)</td>
</tr>
<tr>
<td>USA</td>
<td>101 (50%)</td>
</tr>
<tr>
<td>UK</td>
<td>35 (17%)</td>
</tr>
<tr>
<td>Germany</td>
<td>19 (9%)</td>
</tr>
<tr>
<td>Total</td>
<td>202 (100%)</td>
</tr>
</tbody>
</table>
Framework for examining employee voice in MNCs.

In constructing a framework for the examination of employee voice we borrow from Tuselmann et al., (2003) study of German overseas affiliates employee relations (ER) approaches in the UK. In looking at how German affiliates design their ER in an Anglo-Saxon environment they developed a classification of ER dimensions and approaches adopted by these affiliates. We adopt a similar approach to the study of employee voice mechanisms in MNCs. By using dichotomous measures, the relative emphasis on indirect and direct employee voice mechanisms, we differentiate four approaches to employee voice:

- a minimalist approach;
- an indirect approach;
- a direct approach and;
- a dualistic approach

In measuring the relative emphasis placed on indirect voice mechanisms we use three different indirect methods, namely trade unions, non-union structures of employee representation and EWCs. Thus the presence of these indirect methods implies that MNCs emphasise an indirect approach to employee voice. However we argue that using a simple measure of union presence as an indicator of a MNC indicating an indirect approach to employee voice is a rather weak measure, for two reasons. The first reason is in relation to trade union supply. A MNC may not recognise a union or only do so in some of their sites thereby preventing employee’s access to a union voice. The second reason is related to union demand. Even though a MNC may recognise a union in most or all of their sites, some employees may not wish to join and are consequently excluded from utilising this voice mechanism. For these reasons we suggest there is a need to develop a more robust measure. We therefore coupled union recognition with union density. Thus for a trade union to be considered as an indirect voice method an MNC must recognise a union in most or all of their sites and 50 per cent or more of their employees must be a member of a trade union. Non-
union channels represent a comparatively weak indirect voice mechanism also. To deal with this issue only MNCs with non-union collective employee representative structures in most or all of their sites \textit{and} the presence of a EWC is considered as emphasising the indirect voice approach\textsuperscript{3}. In summary, to emphasis an indirect approach to employee voice both union and/or non-union structures must be present.

In defining the relative emphasis on direct employee voice mechanisms we draw upon a number of direct methods (see table 2 for complete list). Each of these methods are categorised under three headings – participation, consultation, and information sharing – ranging from strong to weak direct voice methods respectively. The rationale for categorising the direct methods from strong to weak allows for the development of a scoring system, which will determine whether or not a MNC emphasises the direct approach to employee voice. We use the scoring index constructed by Tuselmann \textit{et al.}, (2003) which works as follows: the presence of a method under the participation heading attracts a score of 3, a method under the consultation heading a score of 2, and a method under the information sharing heading a score of 1, giving a maximum score of 19 if all the methods are in place. Then MNCs scoring above the median were defined as emphasising direct voice mechanisms.

Based on both these measures, MNCs were categorised into four different types of approaches to employee voice: those with an indirect approach (emphasising only indirect voice mechanisms), a direct voice approach (emphasising only direct voice mechanisms), a dualistic approach (emphasising both indirect and direct voice mechanisms) and a minimalist approach (emphasising neither indirect nor direct voice mechanisms).

\textsuperscript{3} It must be noted that in Tuselmann \textit{et al}, they use the measure that only those non-union workplaces with both JCCs and employee representatives were defined as emphasizing the collective ER dimension. However we do not ask about the existence of JCCs and thus have combined NER structures with the presence of EWCs.
Findings

Table 2 outlines the incidence of direct and indirect voice mechanisms across MNCs from the four different countries of origin. Focusing on indirect voice mechanisms we see that just three out of ten MNCs can be said to have union voice. This is quite a low figure and may be explained in part by the measure of union voice that we use. Certainly if one was to take trade union recognition solely as an indicator of union voice that figure would be 60 per cent. However, as outlined above, we are interested in a much robust measure of union voice and thus we report relatively few MNCs having such a mechanism present. We also find a considerable country of origin effect with over half the German MNCs in Ireland reporting union voice against just 14 per cent of US MNCs. Thus in terms of the order we see that German and Irish MNCs are more likely to report union voice whereas US and UK MNCs are less likely. This finding is rather unsurprising given the strong role of trade unions in German and Irish ER. We find that non-union structures are slightly less prevalent then the union voice mechanism with just over a quarter of all MNCs reporting such structures. Indeed almost six in ten MNCs reported that these non-union structures had been introduced in the last 3 years. A possible reason for their growth is the phased implementation of the EU Directive on information and consultation with almost four in ten MNCs outlining that the Directive had prompted changes in arrangements for employee information and consultation. Again a discernible country of origin effect with the order of the presence of these non-union structures almost the complete opposite to that of strong union voice. Indeed the highest reported indirect mechanisms for employee voice reported are European Works Councils (EWCs) with over a third of all MNCs reporting their presence. US MNCs are the most likely to report such structures with Irish MNCs the least likely to report EWCs. The high percentage of EWCs in US MNCs is surprising given the apathy US MNCs demonstrate towards independent collective representation structures. The average score of these three types of indirect voice mechanisms is 29.7 per cent.
Focusing next on the direct voice mechanisms for employee voice we find that much higher percentages are reported compared with indirect mechanisms. Firstly, we look at the participation voice mechanisms which represent the strongest form of direct voice. In total, 47.9 per cent of all MNCs report the use of self-directed teams with relatively very little variation across each of the four countries. The use of problem-solving groups is much more prevalent with almost two-thirds of all MNCs reporting their existence. These groups are more likely to be found in US MNCs and least likely in Irish-owned MNCs. Performance appraisal systems are found in over seven in ten MNCs. Again these are much more likely to be found in US MNCs with 82 per cent of all US MNCs having such a system. The average score for these three “strong” direct voice mechanisms is 61.9 per cent. Moving next to the consultative direct voice mechanisms we find that briefing groups are by far the most prevalent of these types of direct voice mechanisms with almost all (98 per cent) of MNCs reporting their existence. The use of attitude surveys is in place in almost two-thirds of all MNCs with some noticeable country of origin effects. US and UK MNCs are by far the most likely to report the use of attitude surveys whereas Irish and German MNCs are least likely to report their existence. Suggestion schemes are also quite popular with just over half (53.3 per cent) of all MNCs reporting that they have such schemes in place. The average for these three mechanisms is 72.4 per cent. Finally moving to the information sharing voice mechanisms we find that these types of arrangements are relatively popular. Newsletters of emails are used in 92 per cent of all MNCs followed by the use of the management chain to cascade information (84.4 per cent), meetings between senior management and the whole of the workforce (79.2 per cent) and the use of a company intranet (77.7 per cent). Some country of origin effects is apparent also. On all four measures, US MNCs report the highest percentages on each of them. In contrast Irish MNCs report the lowest percentages on all four items. The average percentage for these four mechanisms is 83.3 per cent.
Table 2: Incidence of indirect and direct voice mechanisms (per cent)

<table>
<thead>
<tr>
<th>Indirect voice practices</th>
<th>UK</th>
<th>US</th>
<th>Ireland</th>
<th>Germany</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade union</td>
<td>40.0</td>
<td>14.0</td>
<td>43.5</td>
<td>52.6</td>
<td>29.5</td>
</tr>
<tr>
<td>Non-union structures</td>
<td>22.9</td>
<td>35.0</td>
<td>10.6</td>
<td>15.8</td>
<td>25.4</td>
</tr>
<tr>
<td>EWCs</td>
<td>36.4</td>
<td>42.9</td>
<td>17.0</td>
<td>27.8</td>
<td>34.2</td>
</tr>
</tbody>
</table>

Direct voice practices

Participation

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
<th>Ireland</th>
<th>Germany</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-directed teams</td>
<td>57.1</td>
<td>45.3</td>
<td>46.3</td>
<td>47.4</td>
<td>47.9</td>
</tr>
<tr>
<td>Problem-solving groups</td>
<td>54.3</td>
<td>76.0</td>
<td>51.2</td>
<td>63.2</td>
<td>65.4</td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>71.4</td>
<td>82.0</td>
<td>60.0</td>
<td>52.6</td>
<td>72.4</td>
</tr>
</tbody>
</table>

Consultation

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
<th>Ireland</th>
<th>Germany</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Briefing groups</td>
<td>97.1</td>
<td>98.0</td>
<td>97.8</td>
<td>100.0</td>
<td>98.0</td>
</tr>
<tr>
<td>Attitude or opinion surveys</td>
<td>71.4</td>
<td>84.0</td>
<td>32.6</td>
<td>42.1</td>
<td>66.0</td>
</tr>
<tr>
<td>Suggestion schemes</td>
<td>48.6</td>
<td>59.0</td>
<td>44.4</td>
<td>52.6</td>
<td>53.3</td>
</tr>
</tbody>
</table>

Information sharing

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
<th>Ireland</th>
<th>Germany</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings with the whole of the workforce</td>
<td>76.5</td>
<td>90.0</td>
<td>63.6</td>
<td>63.2</td>
<td>79.2</td>
</tr>
<tr>
<td>Systematic use of mgmt chain</td>
<td>91.2</td>
<td>89.0</td>
<td>69.6</td>
<td>84.2</td>
<td>84.4</td>
</tr>
<tr>
<td>Newsletters or emails</td>
<td>91.2</td>
<td>94.0</td>
<td>89.1</td>
<td>89.5</td>
<td>92.0</td>
</tr>
<tr>
<td>Company intranet</td>
<td>76.5</td>
<td>84.8</td>
<td>66.7</td>
<td>68.4</td>
<td>77.7</td>
</tr>
</tbody>
</table>

MNCs approaches to employee voice mechanisms

Looking at these dichotomous measures we find that a higher percentage of MNCs emphasise the use of direct employee voice mechanisms (49.3 per cent) as opposed to indirect employee voice mechanisms (40.0 per cent), see table 3. Focusing on indirect voice mechanisms we find that German MNCs (55.6 per cent) are the most likely to emphasise indirect arrangements with US MNCs (32.0 per cent) by far the least likely. Both UK (47.1 per cent) and Irish-owned MNCs (45.7 per cent) also place relatively high emphasis on indirect methods of employee voice. On the other side, direct voice mechanisms, we find that US MNCs (60 per cent) are the most likely to emphasise the use of direct voice mechanisms with only 28.3 per cent of Irish MNCs emphasising these arrangements.

When coupling these together we identify four different approaches to the use of employee voice mechanisms in Ireland. As can be seen from table 3 the most popular approach to
employee voice in MNCs in Ireland is the direct voice approach, i.e. the use of direct voice mechanisms only. Just over a quarter of all MNCs adopt the minimalist approach that is neither emphasising direct nor indirect voice mechanisms. Just under a quarter adopt the indirect voice approach whilst just 17 per cent of MNCs adopt the dualistic approach, i.e. the use of both direct and indirect voice mechanisms. Looking at country of origin variation we find that a higher percentage of Irish and German-owned MNCs adopt the indirect voice approach. The most common approach of US-owned MNCs is the direct voice approach whilst for UK-owned MNCs the most common is the minimalist approach.

### Table 3: Approaches to employee voice

<table>
<thead>
<tr>
<th>Approach</th>
<th>UK</th>
<th>US</th>
<th>Ireland</th>
<th>Germany</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emphasis on indirect voice mechanisms</td>
<td>47.1</td>
<td>32.0</td>
<td>45.7</td>
<td>55.6</td>
<td>40.0</td>
</tr>
<tr>
<td>Emphasis on direct voice mechanisms</td>
<td>45.7</td>
<td>60.4</td>
<td>28.3</td>
<td>47.4</td>
<td>49.3</td>
</tr>
<tr>
<td>Minimalist approach</td>
<td>32.4</td>
<td>22.7</td>
<td>33.3</td>
<td>11.1</td>
<td>25.8</td>
</tr>
<tr>
<td>Indirect voice approach</td>
<td>20.6</td>
<td>14.4</td>
<td>37.8</td>
<td>38.9</td>
<td>23.2</td>
</tr>
<tr>
<td>Direct voice approach</td>
<td>20.6</td>
<td>45.4</td>
<td>20</td>
<td>33.3</td>
<td>34.0</td>
</tr>
<tr>
<td>Dualistic approach</td>
<td>26.5</td>
<td>17.5</td>
<td>8.9</td>
<td>16.7</td>
<td>17.0</td>
</tr>
</tbody>
</table>

### Discussion and Conclusions

The aim of this paper was two-fold, to profile the incidence of employee voice mechanisms in MNCs and to examine their approaches to such mechanisms. We do this considering two major developments that have the potential to shape employee voice mechanisms in Ireland, namely the fall in trade union density and the implementation of European Directives on European works councils and information and consultation. With this we explored the incidence of employee voice mechanisms and the relationship between indirect and direct voice arrangements in MNCs operating in Ireland. Having examined a number of voice arrangements it is clear that the most popular employee voice mechanisms existing in MNCs are the direct voice mechanisms. Earlier we noted that trade unions were the traditional mechanism for employees to have a voice in their workplace but it appears this is no longer the case. So why are direct voice mechanisms the most prevalent in MNCs today in Ireland with unions playing a very small part? The fall in trade union density appears to have had a
negative impact on union voice channels in MNCs with just fewer than three in ten MNCs considered to have union voice in their operations. This may explain in part the relative emphasis MNCs are placing on direct voice mechanisms. It may also be suggested that MNCs are using these types of mechanisms as a substitute for trade unions given that when you compare the number of MNCs that recognise a union against the number of MNCs that have union voice you find the figure is halved. Thus rather than complementing union voice, these direct voices are a means through which to reduce the influence of trade unions. Also it could be suggested that this decline in union voice and the concurrent increase in the use of direct methods may reflect a move by employers to individualise the relationship with employees.

The impact of the European Directives appears to be quite mixed, with the EWCs Directive appearing to have little effect with just over a third of all MNCs reporting having a EWC in place. However, a sizeable minority of MNCs reported that the Directive on information and consultation had prompted changes in their arrangements to employee information and consultation. These changes may be manifest in two ways, through indirect mechanisms such as the non-union structures of collective representation or through an increase in direct mechanisms. Earlier we noted that Dundon et al., (2006) suggested it was possible to interpret the Directive as promoting representative forms of employee information and consultation. However, it would appear from our findings that the opposite is the case, rather than choosing representative forms of employee voice, MNCs are choosing to take the direct route to employee voice.

Dundon et al., (2006) in their paper outline that there are a number of choices available to organisations in their approach to information and consultation but effectively there are two approaches. The first is what they label as a ‘high road’ strategy which covers a mix of direct and representative mechanisms which are broad in scope and would facilitate employee cooperation as well as the opportunity to question management decisions and shape the agenda for employee voice. The second strategy is a ‘low road’ voice strategy which they outline is a “focus around a set of disjointed or pseudo-participatory processes that in effect
minimise employee input into decision making while consolidating managerial control” (Dundon et al., 2006, p. 508). Mechanisms are direct, they are limited, and are more to do with information sharing rather than consultation. They outline that “such a ‘low road’ approach may be deemed compliant as far as the European Directive is concerned because of a ‘menu’ of communication mechanisms and pseudo-participatory processes” (Dundon et al., 2006, p. 508). Using these two approaches in interpreting our findings it appears that MNCs approach to employee voice in Ireland is that of the “low-road” strategy. Indeed some of the highest reported employee voice mechanisms are those associated with information sharing. The two most common approaches to employee voice are the direct voice approach and the minimalist approach. What all this means in effect is that the traditional method of voice, trade unions, often seen as the only method through which employees can influence managerial behaviour (Freeman and Medoff, 1984), has diminished dramatically. In some cases very few mechanisms have replaced it, leaving employees with little or no say in their workplace. In others, it has been replaced by direct mechanisms which are to all intents and purposes a much weaker form of voice.
Bibliography


