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Home-country advantage? The influence of Italian, German and Austrian employee representatives in the UniCredit European Works Council

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Abstract
This article examines the first European Works Council (EWC) to be established in the Italian banking sector, at UniCredit. It focuses on the interaction between Italian, German and Austrian delegations of employee representatives and on the perspectives and practices that reflect their different cultural and institutional backgrounds in industrial relations. Much of the literature suggests that employee representatives from the home country of a multinational company are likely to mould EWC structures in accordance with their own national backgrounds and have greater confidence in dealing with central management in EWC meetings. Our findings partly substantiate this argument, but also suggest that minority delegations, when they have the benefit of strong national institutional arrangements and less fragmented union patterns, are more likely to be cohesive and experienced and therefore able to challenge management and sometimes win significant arguments over strategy.

Keywords
EWCs, banking sector, Italy, Germany, Austria, UniCredit, trade unions

Introduction

The 1994 European Works Council (EWC) Directive was the product of many years' political wrangling, having faced considerable opposition from right-of-centre governments and employers before its eventual adoption and fell far short of the labour movement's aspirations (Köhler and González Begega, 2010). Nevertheless, in symbolic terms, it is one of the most important achievements of the European employment agenda, in theory representing a challenge to the rights of ownership and management prerogative, and allowing labour to assert the right to information and consultation on a permanent basis at international level (Waddington, 2011).

Some of the more optimistic commentators suggested that EWCs could develop into a powerful and effective means of organizing workers' interests at supranational level (Müller and Platzer, 2003). However, others argued early on that EWCs were more advantageous for employers than for employees, were likely to increase management control, and could potentially marginalize trade union representation (Ramsay, 1997; Schulten, 1996). Recent research appears to bear out the more pessimistic view that, despite diversity both in their establishment and function, there are common weaknesses which emerge in the majority of EWCs (Köhler and González Begega, 2010). These include shortcomings in the exercise of

information and consultation rights, scarce resources for employee representatives, agendas set by management, and language and cultural barriers which complicate employee-side representation. The competence of most EWCs rarely goes beyond information and consultation, with negotiation often expressly forbidden in many agreements. Only a small minority appear to have become effective mechanisms of interest representation (Lecher et al., 1999; Léonard et al., 2007; Waddington, 2003; 2011).

However, the argument between 'optimists' and 'pessimists' reflects varying criteria for assessing EWC effectiveness (Cressey, 2009). For example, the value of an EWC may not necessarily depend on its ability to negotiate with central management but rather on its providing a basis for international labour networking, thus supporting unions and employee representatives across different countries in building contacts for cross-border cooperation (Ramsay, 1997). EWCs may provide useful tools for initiating learning processes that lead to more stable patterns of collaboration among their members (Weston and Martínez Lucio, 1998), with regular flows of information and communication outside official meetings proving of key importance in reaching this objective (Andersson and Thörnqvist, 2007). Identity and trust have accordingly proved to be central issues in the analysis of EWCs, with various analysts focusing on the role of cultural and industrial relations systems in shaping the trust dynamics amongst employee representatives, for example British and German (Whittall, 2000) or 'northern' and 'southern' (Huzzard and Docherty, 2005). Indeed, problems in reciprocal understanding among representatives coming from different industrial relations systems, characterized especially by adversarial or more cooperative relations, have also been detected in other research (Timming 2006; Whittall et al., 2000).

In this article we have two principal objectives. First, we examine the operation of an EWC in the Italian banking sector. Most studies of EWCs have concentrated on the manufacturing sector (Carley and Hall, 2006; Fetzer, 2008, 2012; Whittall, 2000, 2007) and fewer on the service sector; while very few have examined EWCs in Italian-based multinational companies (MNCs). In these respects this study provides a useful and timely contribution to the analysis of EWCs in a relatively neglected sector and country.

Second, we explore the relationship between German and Italian employee representatives, who constitute the two largest national delegations in the UniCredit EWC (UEWC). While some research has already focused on the roles and attitudes of German employee representatives within EWCs, there have been few studies of the attitudes and roles of Italian employee representatives (Baglioni, 2011). More generally, it has been argued that EWCs tend to remain rooted in home country systems of employee representation and to focus on domestic concerns (Streeck, 1997), and that employee representatives from the home country have greater confidence in dealing with central management in EWC meetings (Stoop, 2004). In the UEWC, the numerical superiority of the Italian representatives, their regular contacts with head office management and their influence over the informal rules according to which the EWC functions would suggest that they have such an advantage. However, both German (and Austrian) employee representatives have cohesive relationships and are fully accustomed to engaging with senior management on a more equal basis, especially in relation to issues on which they have already reached agreements. Our article accordingly offers a critique and refinement of the 'home-country' approach.

Research methods

Our data derive from a combination of documentary analysis, semi-structured and telephone interviews and non-participant observation of the UEWC meetings conducted in Germany and Italy in 2011 and 2012. Twenty-one face-to-face interviews and two telephone interviews were conducted, recorded and transcribed, each lasting approximately two hours. The data also include press releases, statements, internal reports, agendas and material publicly available on company and trade union websites. Further information was gathered through informal discussions with UEWC members and management representatives at conferences and seminars. One of the authors was a non-participant observer in two UEWC plenary

meetings held in Milan in May and November 2012. The authors carried out their own translation and interpretation.

Interviews included senior management in Italy and employee representatives from Austria, Germany, Italy and Luxembourg, some of whom are also trade union officials. In Italy, interviews were carried out with officials from the sectoral federations of the three main confederations, CGIL (FISAC, *Federazione Italiana Sindacato Assicurazione Credito*), CISL (FIBA, *Federazione Italiana Bancari e Assicurativi*) and UIL (UILCA, *Unione Italiana Lavoratori Credito, Esattorie e Assicurazioni*), and also from the independent sector trade unions, FABI (*Federazione Autonoma Bancari Italiani*) and Unisin (*Unità sindacale Falcri Silcea*) and the banking staff association, *Dircredito*. Most of the union officials hold senior positions at national level and a few have experience within their international departments and the European Trade Union Federation, UNI Europa Finance. The four management representatives included senior human resource (HR) managers and the two managers who acted as the company's Permanent Contact with the UEWC.

In Germany, the UEWC Vice-President (who is also Deputy Chair of the supervisory board and Chair of the central works council of HypoVereinsbank, HVB, which is part of UniCredit Group) was interviewed twice, together with the other German member of the UEWC Select Committee (SC), the Luxembourg member of the UEWC (who also sits as employee representative on the supervisory board established in Germany and is head of the works council in Luxembourg) and the Chair of the financial services area of ver.di (*Vereinte Dienstleistungsgewerkschaft*) in Bavaria. The latter is also an employee representative on the supervisory board of HVB and acts as external expert for the UEWC. In Austria, both employee representatives are members of GPA-djp (*Gewerkschaft der Privatangestellten*), the private sector white-collar union, and both sit on the supervisory board of Bank Austria AG.

National systems of worker representation

Italy

Information and consultation rights provided by Decree in 2007 (transposing the EU Directive on a general framework for information and consultation of workers into Italian law) and collective agreements are the norm in Italy, rather than legally based codetermination mechanisms. Furthermore, the 2007 law refers to national collective agreements as the mechanism required to define detailed procedures to implement the Directive, which applies to all companies with over 50 employees.

The Italian Workers' Statute (*Statuto dei lavoratori*) of 1970 introduced mandatory plant-level union structures, *rappresentanze sindacali aziendali* (RSAs), in order to establish more structured company-level representative bodies and to recognize union rights at plant level. It enabled workers to establish RSAs within production units with more than 15 employees in liaison with unions regarded as 'most representative' at national level. However, RSAs did not enjoy specific rights to information and consultation. Their main shortcoming centred on the lack of mechanisms for union democracy and effective worker representation, since they favoured industry-level unions affiliated to the main confederations and could be elected only by workers who were also union members. Accordingly, in 1993 the three main union confederations and the national employers' associations signed a tripartite Protocol with the government to introduce unitary workplace union structures (*rappresentanze sindacali unitarie*, RSUs): in effect, works councils which would represent more than one union. These were further regulated by a national multi-industry agreement signed later the same year by the three trade union confederations and *Confindustria*, the cross-sectoral employers' confederation. RSUs are entitled to bargaining rights at company level, in cooperation with local unions and in line with procedures determined by the relevant national collective agreements.

However, these agreements did not repeal the statutory provisions (which were partially abrogated by a referendum in 1995) allowing RSAs to be established by unions that have signed collective agreements in the relevant work unit. In banking, RSAs still constitute the only form of worker representation because of the strong presence of non-affiliated unions, which would not accept the imposition of an RSU (Lawlor and Serrano del Rosal, 1999).

Germany

The Works Constitution Act (*Betriebsverfassungsgesetz*, BetrVG) of 1952, amended in 1972, 1988 and 2001, regulates workplace-level codetermination in Germany, establishing works councils (*Betriebsräte*) as employee-only bodies (Keller and Kirsch, 2011). They do not have the right to strike, and are expected to lead their negotiations 'in a spirit of mutual trust' with management, promoting the interests of both the employees and the company. Although they are formally independent from unions, most works councillors are trade union members, and unions usually have an influence on how they operate; providing support through training and external advice. Works councils enjoy a set of statutory rights and powers regarding information, consultation and codetermination, though their role has evolved greatly in recent years (Gold and Artus, 2015). In addition to plant-level councils, the 1972 BetrVG provides for Company and Group works councils (*Gesamt-* and *Konzernbetriebsräte*), when requested by works councils in subsidiaries employing at least 75 percent of the Group's workforce. In companies with over 200 employees, at least one works councillor is seconded to work full-time on council business, the numbers increasing with the size of the enterprise.

The law also provides for a two-tier board structure, with a supervisory board (*Aufsichtsrat)* and an executive board (*Vorstand*), in joint stock companies and limited liability companies with between 500 and 2,000 employees. Employee board-level representatives (worker directors) are granted a third of the total seats on the supervisory board, with the remainder allocated to shareholder representatives. Senior management including the CEO make up the executive board and run the business on a day-to-day basis. However, the supervisory board can appoint and dismiss any member of the executive board and monitors its activities. A labour director deals with employment relations, with the dual task of representing management and building cooperative relationships with employee representatives.

In companies with over 2,000 employees, the 1976 Codetermination Act (*Mitbestimmungsgesetz*, MitbestG) grants equal representation to workers and trade unions and to shareholders respectively on the supervisory board. However, the Chair, who holds a casting vote, is elected by a two-thirds majority of the board's members and generally represents shareholders.

Principal contrasts between Italy and Germany

This brief outline of worker representation in Italy and Germany reveals stark contrasts between the two systems, which reflect the varying identities of unions in those countries within the 'triple polarization' of market, class and society (Hyman, 2001: 2). Unlike their German counterparts, Italian trade unions have historically been more adversarial and fragmented across political and religious lines, with their ideology in recent times based on a 'historic compromise' between class and society (Hyman, 2001: 151). Employment relations are less regulated, and union-based RSAs and RSUs have developed more recently than the employee-based works councils system in Germany. In the banking sector, for example, Italian employees are represented by a total of eight unions. While FISAC, FIBA and UILCA are sectoral affiliates of the main union confederations, *UGL Credito* is affiliated to the smaller confederation *Unione Generale dei Lavoratori*. FABI, *Dircredito*, Unisin and SINFUB (*Federazione Nazionale Sindacati Autonomi Personale di Credito, Finanza e*

Assicurazioni) are a mixture of independent non-affiliated unions and staff associations. There is no formal system of employee board-level representation in Italy.

The German industrial relations system, by contrast, is based on the general principle of social partnership rather than on adversarial labour relations, with union ideology reflecting 'the axis between market and society' (Hyman, 2001: 119). Unions are more unified, with just one union, ver.di, representing all banking workers. The codetermination system established at both workplace and company levels arguably constitutes the main distinctive feature of German industrial relations which, along with collective bargaining, ensures representation of all workers whether or not union members. Employee board-level representation is also firmly established.

Establishment and composition of the UEWC

UniCredit, the largest Italian bank by assets, was created in 1998 following the merger of nine Italian banks (including two of the three so-called 'banks of national interest', Credito Italiano and Banco di Roma), and acquired the Polish Bank Pekao in 1999. UniCredit merged with the German HVB Group in 2005, and then with the Italian Capitalia Group in 2007. It has expanded into further Central and Eastern European (CEE) countries such as Bulgaria, Croatia and Romania, non-EU countries such as Russia, Turkey and Ukraine and Central Asian countries such as Azerbaijan, and currently operates in 13 EU and nine non-EU countries. It employs over 160,000 workers worldwide, the majority in Italy (see Table 1).

Table 1: UniCredit employment and composition of the UEWC and SC (2011-2015)

Countries	Employees (%)	UEWC representatives	SC members	Union density (%)
Italy	55,776 (33)	10	4	74 [a]
Germany	23,625 (14)	4	2	15
Poland	21,166 (12)	4	1	[b]
Turkey	16,552 (10)	2	0	[b]
Austria	11,742 (7)	2	1	[b]
Others[c]	40,964 (24)	22	0	[b]
Totals	169,825 (100)	44	8	

[a] FIBA-CISL, FISAC-CGIL and FABI represent about 65 percent of Italian union membership
[b] No reliable data available
[c] Other countries that were assigned 2 representatives in the UEWC are: Bulgaria, Croatia, Czech Republic, Romania, Russia, Ukraine and Hungary

The HVB Group had already established an EWC in 1996, and the UEWC was established as an employee-only body in 2007 on the basis of Article 6 of the 1994 Directive. German representatives wanted to establish relations with their Italian colleagues in order to exchange information on working conditions, bargaining activities and other issues. They initiated the process of establishing the EWC in 2005 following an informal meeting with the then CEO and Head of HR, adding that German unions and employee representatives used the HVB supervisory board to insist on the establishment of the UEWC as a precondition for the merger between then Unicredito and HVB.

German employee representatives highlighted that the UEWC was an almost totally new experience for their Italian counterparts, not only because of the absence of strong consultation and codetermination rights in Italy, but also because of the limited development of EWCs within Italian companies, especially in financial services (ETUI, 2012). Italian union officials saw it as a 'pilot' case and were therefore keen to have a strong influence over

negotiations. According to Italian respondents, at the beginning Austrian and German members were more sceptical and did not fully embrace the transnational scope of the EWC that was being set up; they were allegedly puzzled too by the capacity of management to manage it effectively, although they later started to engage, seeing it as a good place for acquiring information on events within the Group. Though they had taken the initiative towards management at an earlier stage, German members acknowledged that they did not have high hopes over negotiations for the founding agreement. Rather, their main objective was to reach an agreement that would not be worse than the one they already had at the HVB EWC, in particular to set up direct contact with central management, to acquire information and to give their opinion through consultation.

Senior Italian HR managers appeared to have a positive attitude towards setting up the UEWC but largely as a mechanism for 'brand support', promoting a 'sense of belonging' among employees, getting more 'discipline' in decisions taken at Group level and for making decisions more acceptable at local level. Managers referred to the UEWC as being at the 'heart of its international vision', the company's key strategic priority.

One of the most striking features of the UEWC is the strong presence of employee representatives who are also trade union members. Italian members of the SC and of the UEWC generally hold senior positions within their national unions; for example, they are chief negotiators or national coordinators for the Group and members of union policy-making and executive bodies; a few of them combine a long domestic career with some experience at international and European level. German employee representatives are all members of ver.di, while the Austrian representatives are from GPA-djp. German and Austrian UEWC members sit as employee representatives on the supervisory boards and works councils established in their countries. Until 2013 the UEWC was chaired by Italian Presidents representing FISAC, FABI and FIBA. It is assisted by two experts on behalf of UNI Europa Finance, who are national trade union officials from UILCA in Italy and ver.di in Germany.

The UEWC agreement was revised in April 2011, thus avoiding the obligations of the 2009 'recast' Directive. The period starting from the second ordinary meeting in November 2011 is known as the 'second mandate'. The SC was increased in number to eight, including the UEWC President, and the amended agreement set new minimum thresholds for representation. As a result, countries like France, Greece, the Netherlands, San Marino and Switzerland (employing altogether about 190 workers) lost their employee representatives on the UEWC, whilst countries like Italy and Poland gained a larger number (see Table 1).

The UEWC holds two plenary meetings with management each year, plus three or four additional meetings with the SC. Plenary meetings, which last three days, are held in Milan, where the Group has its headquarters. The UEWC has a Permanent Contact, a manager from the UniCredit International Industrial Relations office, who is responsible for managing interaction with the UEWC and transmitting information to the SC and UEWC. While senior HR management represent the company at UEWC meetings, other senior management may attend plenary sessions as required.

Since the first meeting in September 2007, senior management have provided information about the Group including: reorganization processes and their effects on employment; discussions around the UniCredit 'People Survey' which focused on employee satisfaction, engagement and perceptions; and sustainability reports and 'branding' initiatives, especially those promoting UniCredit as a 'strong player' at European level. As the economic crisis took hold, the need to reduce costs became more central to discussions with employee representatives. On various occasions they requested better communications and transparency in relation to business decisions at Group and country level; the protection of employment and the involvement of employee representatives in reorganizations and mergers; and more information on the Group's financial situation, for example surrounding recapitalization and its Employee Share Ownership Plans.

'Home country' advantage? The perceptions and practices of Italian, German and Austrian employee representatives

In such a large and heterogeneous EWC, members from different countries reflect their own distinct and complex functions, especially when they have multiple roles within their own national systems of industrial relations. In this respect, the majority of Italian members see themselves first and foremost as trade union officials rather than as EWC members. This implies, as some of them highlighted, that they sometimes did not act as representatives of all the employees in the home country, but only as representatives of their own union. They sometimes found it difficult to understand the multiple roles of Austrian and German employee representatives, who at the same time as being employee representatives on the UEWC are trade union members and often union officials, supervisory board members and works council members in their own countries.

The German representatives were also similarly challenged in understanding their Italian counterparts. Since most German representatives are members of the HVB supervisory board, they consider it normal to confer with management on an equal basis, and not as subordinates. During the first plenary meeting, for example, German employee representatives complained that management representatives were sitting on a higher platform than employee representatives; the seating arrangements were subsequently changed. German representatives made it clear that as members of the HVB supervisory board they did not expect to be treated as subordinates. One stated: 'here in Germany we accept only discussion [with management] at the same level, to look into each other's eyes; and we do not wait, we do not react, we go forward and we say, "we want this, this and this from you"'.

In their view, a sense of equality was one of the main differences with the Italian system of industrial relations as well as one of the main issues creating a lack of understanding with Italian employee representatives. Management were aware of these differences, in particular the uneasiness of Italian employee representatives in dealing with the complex transnational nature of the UEWC and the more confident approach of the more experienced Austrian and German counterparts..

Further concerns were raised by German and Austrian representatives regarding the roles of the Italian UEWC President, who has a crucial function in managing discussions in the plenaries, and the Head of HR. The latter had normally opened UEWC plenary meetings, whilst the former usually followed with a welcoming speech. The Austrian, German and a minority of Italian employee representatives from the independent unions argued that the President, and not management, should open the meeting. A German respondent reported that

> in Italy, management convenes and chairs the [UEWC] meeting. There is a huge difference and I remember once, while we were negotiating the UEWC agreement, we had a meeting in Munich and I made the mistake of saying to the then Head of Industrial Relations: 'shut up, it is not your turn'. I destroyed his 'bella figura'. I did not want this to happen, it was not my goal, but this is a huge difference. This is what we mean by saying that we are on the same level and that we do not accept any other way.

Likewise, some German representatives had a critical view of the agenda-setting process. The UEWC Vice-President for example, expressed his uneasiness with what he saw as a management-led process and compared this with his experience in setting agendas as Chair of the German central works council.

> Before I myself convene a meeting, I meet the person responsible for HR, I ask him if there are any issues for the next meeting and then I draft the agenda.… It is very difficult to prepare for a meeting without any information. The German agenda is very structured.… The preparation for meetings is also very different. Every member has the same documents and everybody [has] the same information, so we can consult and make agreements.... The [UEWC] plenary meeting is more or less decided by management, as well as the timetable.... For me it is strange.

The Germans were also puzzled by the informal rules according to which their Italian colleagues manage the UEWC. For example, although the rules state that its President is elected for four years, so far each has held the post for only two years. One Italian employee representative stated that discussions on the four-year rule had been postponed since a four-year mandate would be too long for representatives of the smaller Italian unions. Furthermore, as another pointed out, it would be difficult to reach agreement on a stronger role for the UEWC President because of the fragmentation and rivalry among the Italian unions, which hindered discussions on the issue.

Although Austrian and German UEWC members acknowledged the added value of the UEWC in terms of learning from different cultures, they found it difficult to understand the dynamics among the five Italian unions represented. A German respondent declared: 'we had a change of President and they said to us, "That is our rule in Italy: two years CGIL, two years FABI, two years CISL". They said, 'you are not the majority in this council"'. The Austrian and German representatives were irritated by the fact that the term of office of the UEWC president was decided by an agreement between the Italian unions, and that there appeared to be no willingness or receptiveness on the part of their Italian counterparts to discuss the disadvantages generated by the two-yearly rotation of this position which, in their view, undermined continuity: 'so it is in Italy.... Full stop. So it is, and when we do not agree, the Italian unions have huge problems, huge discussions amongst themselves. [In other words], "please do not disturb"'. Management also maintained that such rotation was a problem for the UEWC and weakened the Italian leadership. In their view, with such a system, each President pursued their own union priorities during their mandate rather than ensuring the long-term sustainability of the UEWC. And indeed, the mandate of the President will be extended to four years at the beginning of the third mandate (in the second half of 2015).

German employee representatives detected a similar issue in the excessive turnover of management in charge of providing the 'permanent' contact with the UEWC. For example, three different managers held this position between 2007 and 2012. One German respondent complained that 'if we change our President and the Permanent Contact every two years, and we have two meetings a year and four additional meetings of the SC, we have direct contact only six times a year and you can't really create a good relationship like that'.

The UEWC President and some other Italian employee representatives admitted that this situation was harmful (though nothing was done to remedy it), not only because it damaged the image and influence of the Italian delegation, but also because it gave a certain advantage to more cohesive delegations from the other major countries, such as Austria and Germany, during debates with management and when establishing priorities and the internal balance of power. One Italian representative stated:

> on the one hand, they [Austrian and German representatives] are very determined on issues in their own interests and on topics on which they opposed the company in their own country, and then they tend to monopolize the discussion… while on other topics, where they have already reached an agreement in their country, they do not adopt any position and also try to reduce the influence of our own positions.… When some foreign members, for example Austrians, insist on a particular topic it becomes a priority.

Indeed, to emphasise the internal coherence of his delegation, one German representative declared that 'when I go to Milan I do not represent my opinion, but German opinion. The four German UEWC members are responsible for all the employees in Germany'.

The Presidential mandate was not the only bone of contention between German and Italian delegates. At the beginning of the first mandate, German proposals for an office with one or two assistants to manage the UEWC more professionally, in line with practice in German works councils, were rejected by their Italian colleagues because it was seen as out of line with the way unions and employee representatives operate in Italy. Similarly, the

Germans believed that the internal dynamics of the UEWC were complicated because the Italians, reflecting the disunity of their unions, generally did not hold preliminary discussions to work out common positions before meetings with employee representatives from other countries.

Issues concerning the accuracy, content and relevance of information have also arisen, and sometimes the more critical and direct approach adopted by German employee representatives has clearly caused problems for certain Italian managers. For example, when one of the Germans suggested that some of the statements made by senior management were not correct, rather than engaging, the manager concerned simply left the room.

Varying attitudes among German and Italian employee representatives towards the information and consultation process and contrasting styles of behaviour during meetings have practical implications for the effectiveness of the UEWC. For example, during the plenary meeting held in May 2012, German and Austrian members were very active in challenging the Group's strategy that aimed to lower costs; according to them, this put pressure on employees working at branch level and was not viable in the longer term. According to management, some problems, such as the low profitability of activities carried out at branch level, were actually more serious in Austria and Germany than in other countries. This assertion was, however, challenged by members from these two countries, who argued that the problem was actually budget objectives that had been set too high by management, rather than their non-achievement by workers.

During the follow-up meeting held in November 2012, the German Vice-President pointed out that the economic rationale of the Newton project, a transnational outsourcing project covering eight countries and 2,200 workers, was not clear. He proposed requesting additional information and consultation with the UEWC before the project was implemented. However, the Italian President disagreed over the strategic value of such a request and expressed his disappointment at the weak response of the plenary to the project when it had been presented by management, stating that it would not have been acceptable to those Italian workers who had already gone on strike against it. In this case, while the view of the German Vice-President resulted from his broader strategic judgement about the role of the UEWC itself, that of the Italian President was strongly influenced by the national consequences of the strike. This issue generated an intense debate with other German and Italian representatives, who pointed out that during the question and answer sessions, management could decide who to call to speak from the floor as they controlled the procedure. They stressed the need for a preliminary meeting of the SC before the plenary as well. Austrian and German representatives, together with one Italian member, proposed a different approach towards management on the Newton project. The Vice-President successfully argued that, had the UEWC expressed a negative view towards the project, there would have been no further consultation with management. The statement, as eventually agreed, emphasized that more information and consultation were needed before the implementation of the project and that, if management failed to comply appropriately before resuming the project, then legal action was possible. This episode serves to highlight that Austrian and German representatives were occasionally able to win the arguments over strategy even if they lost them over UEWC practices.

According to interviews with some Italian representatives, during the second mandate, the Italian delegation suffered greatly from an increasing provincialism amongst some of its members. The detrimental effect was that, even though UniCredit is based in Italy, the Italian delegation was unable to adopt a leadership role because some of its members did not understand the added value of the UEWC and unions at national level remained fragmented. Moreover, the Italian delegation also included one representative from a union (Unisin) that did not participate in national negotiations with the other unions in the sector. As a consequence, according to certain Italian representatives, it was difficult to reach an agreement on some topics within the UEWC, which generated a lack of understanding on the part of non-Italian members.

These observations tend to bear out the 'home country' approach to EWCs, though with reservations: that the practices of EWC members from the host country will dominate

the operation and aspirations of an EWC, particularly when host country members form the majority, as they do in this case. However, the cohesion and experience of a minority, in this case Austrian and German members, may under certain circumstances provide a powerful critique of the influence of the host, even though this often fails to overturn dominant practices.

Discussion and conclusions

Time after time, Italian practices predominated in the operation of the UEWC: the conduct of plenary meetings and the drawing up of their agendas were management-led in the Italian manner, while the rules governing the rotation of the Presidency and the failure of the Italians to hold pre-meetings reflected the rivalry among their unions. Attempts by the Austrian and German delegations to reform these practices fell on deaf ears, and even their proposal to professionalize the UEWC office was rejected as not the Italian way. This appears to demonstrate a marked 'home country' influence.

Nevertheless, our study also suggests that Italian employee representatives and union officials appeared to be less familiar and less comfortable with information and consultation procedures than their German counterparts. For example, Austrian and German representatives were much more active in discussing the information provided by management, appeared to have a greater ability to deal with strategic issues and, on a number of occasions, even displayed willingness to call into question management's explanations. German employee representatives made it clear that as members of the HVB supervisory board they acted proactively and did not expect to be treated as subordinates.

The Italian representatives acknowledged that they deal mostly with HR managers as a result of regular negotiation rounds at national level, and do not have relationships with the CEO and many of the senior managers from other functional areas. Furthermore, some recognized that their effectiveness was weakened by the fragmentation of the five Italian unions that are represented on the UEWC and by the varying degrees to which they value the body. For these reasons, the Austrian and German delegations were sometimes in a stronger position than the Italians and (as the episode of the Newton project demonstrated) were accordingly able to win the arguments on strategy. Meanwhile, all the employee representatives agreed that the quality of information and the level of consultation the UEWC enjoys were often undermined by dense agendas, the late provision of information and difficulties with communication. As with studies that have focused on the metal and chemical sectors (Pulignano, 2007: 88), our analysis also shows how the coexistence of different unions in one sector might hinder the development of a coherent approach at transnational level among representatives from the same country. Austrian and German members, according to Italian representatives, were able to work together and agree on policy more easily and appeared to have a greater ability to influence debates within the UEWC. For these reasons, a strong 'home-country advantage' in the sense suggested by Stoop (2004: 54), where home country representatives rely on a privileged relationship with central management, cannot be clearly detected.

Furthermore, in some respects, the transposition of other features of the 'domestic tradition' of industrial relations (Streeck and Vitols, 1995: 269) into the UEWC generates a situation that is sometimes a problem. For example, some informal rules, such as that governing the length of the President's term of office, were adopted by Italian UEWC members in contravention of the internal UEWC rules and apparently without the involvement of other employee representatives. In addition, as mentioned above, divisions among trade unions at national level also have a harmful effect on the internal cohesion of the home country delegation.

As a result, although the 2007 UEWC agreement was strong on paper, the emergence of a common culture on transnational issues (Miller, 1999) and the development of a collective identity (Müller and Rüb, 2007) have been somewhat limited. The UEWC is arguably still 'bound' to the culture of its home country and is hence undermined by the

fragmented nature of Italian union representation; though as a counterbalance, a strong, cohesive delegation of employee representatives (even though a minority) may still punch well above its weight. While different industrial relations cultures and systems continue to affect the perspectives of employee representatives from the two most important national delegations, problems are likely to persist over matters of communication, understanding and networking. The coexistence of these different cultures may well limit the internal cohesion and strength of the UEWC (Bicknell, 2007). A 'trust barrier', similar to that found by Whittall (2000: 70) between representatives from different industrial relations systems, persists between Italian employee representatives and their counterparts coming from social partnership systems such as Austria and Germany.

While trade unions have not been 'squeezed out', as predicted by Ramsay (1997), the UEWC lacks a strategic approach regarding its role and activities and there is no systematic transnational interaction among its members. In this context, it could be regarded as a 'service' EWC, able to take advantage of information with 'European' added value and some 'horizontal' exchange of data at national level, but unable to develop a more 'Eurocentric' orientation (Müller and Platzer, 2003; Platzer 2009). In particular, the UEWC is handicapped by the expansion of the company, its structure and a predominance of Italians in senior management positions, a lack of influence on key strategic issues, the poor content and timeliness of information, little meaningful consultation, language problems and the absence of a strong identification with a common European culture among UEWC members.

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