

Challenging Collectivist Traditions: Individualism and the Management of Industrial Relations in Greenfield Sites

PATRICK GUNNIGLE,*
MICHAEL MORLEY

and

THOMAS TURNER
University of Limerick, Limerick

Abstract: This paper explores developments in industrial relations and Human Resource Management (HRM) in newly established ("greenfield") companies in the Republic of Ireland as a means of informing the debate on changing patterns of industrial relations. In particular, the paper focuses on the issue of individualism as a key dimension of management approaches to industrial relations. It is based on an empirical study of management approaches to industrial relations using a data set of new firms established in Ireland in the period 1987-1992.

I INTRODUCTION

This paper examines the development of so called "individualist" management approaches to industrial relations using a database of firms which established at greenfield sites in the Republic of Ireland in the period 1987-1992.

An important theme in the extant literature is the contention that firms locating at greenfield sites are likely to adopt an increasingly individualist focus in industrial relations and pursue some key features of Human

*Currently Visiting Fulbright Scholar in the Department of Management, San Diego State University.

Resource Management (HRM) such as flexible working, enhanced quality initiatives and employee involvement (Beaumont, 1985, 1986; Beaumont and Townley, 1985; Kochan *et al.* 1986; Guest, 1989). Indeed some commentators have identified a *greenfield site* as a requisite condition for the adoption of an individualist HRM focus in industrial relations management (Beaumont 1985; Blyton and Turnbull 1992, 1994). Individualism is therefore important, both as an indicator of change in management approaches to industrial relations and as a measure of the extent of adoption of so called "HRM styles". In terms of the specific implications for industrial relations, it is suggested that the adoption of such management styles presents an explicit challenge to trade unions and collective bargaining (Beaumont, 1991). The essence of such challenge is a reduced emphasis on collective bargaining and management-trade union interactions, with the focus shifting from management-union to management-individual employee interactions (Guest, 1989; Purcell, 1987; Beaumont, 1991, 1992; Storey and Bacon, 1993).

The Republic of Ireland is a particularly appropriate context for testing the extent of an individualist orientation in industrial relations. Despite the presence of some prominent examples of managerial styles other than those based on traditional pluralism, the evidence to date does not point to significant decline or change in the traditional pluralist model (Murphy and Roche, 1994; Roche, 1994). Numerous reasons have been advanced to explain the continuity of the pluralist/collectivist tradition, the most persuasive of which have been articulated by Roche and Turner (1994) who point to the impact of the socio-political context in Ireland:

... it is the distinctive features of the social and political context in Ireland which in large measure account for the contrasting effects of human resource policies ...as compared with the United States or the United Kingdom. (Roche and Turner (1994), p. 8).

In particular, Roche and Turner point to the continued legitimacy of trade unions and trade union membership in Ireland, and link this to the historically intimate involvement of the trade union movement in the nationalist struggle and also to the current sequence of centralised, corporatist style agreements on pay and other aspects of social and economic policy (Roche and Turner, 1994, Roche and Kochan, 1996).

The Irish empirical evidence thus appears at odds with the trend of severe erosion of the pluralist tradition so ingrained in the US and UK literature (see, for example, Kochan *et al.*, 1986; Bassett, 1987; Beaumont, 1987, 1995; McLoughlin and Gourlay, 1992; Millward *et al.*, 1992). However, this evidence is largely based on national union density statistics or studies of longer established firms. It is therefore opportune to consider developments

in the newer "greenfield" sector which has been the locus of much of Ireland's recent industrial development.

This paper reviews measures considered indicative of individualism in industrial relations. Findings on levels of individualism are then compared with measures of collectivism in industrial relations. The paper also considers the major explanatory factors impacting on variation in levels of individualism and collectivism in industrial relations.

II INDUSTRIAL RELATIONS IN GREENFIELD SITES

It is widely accepted that, in establishing a greenfield site facility, management possess considerable strategic discretion to decide on its "preferred" industrial relations style and on related policies and practices (Beaumont, 1995). It is therefore reasonable to suggest that if employers are adopting more individualist approaches, the evidence of such change should be most evident in greenfield sites.

This paper is based on a study of all greenfield site firms established in the manufacturing and internationally traded services sectors in the Republic of Ireland in the period 1987-1992. The study excluded firms with less than 100 employees. The study population amounted to 53 firms. The research was conducted using a methodologically pluralist approach involving: (a) qualitative semi-structured interviews with senior managers in all sites; (b) statistical analysis of a questionnaire based survey completed by the senior manager responsible for personnel/IR in each site; (c) consideration of research findings to three HRM/IR "expert" panels. Table 1, which outlines the principal activity and country of origin of the fifty three firms, highlights the dominance of US owned start-ups in Ireland and the concentration of such firms in what have been termed "high technology" sectors.

III MEASURING INDIVIDUALISM IN INDUSTRIAL RELATIONS

The contemporary literature identifies an increased management emphasis on the development of an individualist orientation in management-employee relations as one of the most important developments in industrial relations in the past decade (Beaumont, 1985, 1991; Beaumont and Townley, 1985; Kochan *et al.*, 1986; Guest, 1989; Storey, 1992; Bacon and Storey, 1993). However, beyond Purcell's (1987) and Bacon and Storey's (1993) attempts to explore the discrete components of individualism, it remains quite an amorphous concept. The most popular conception of high individualism identified in the literature incorporates a strong "human capital" perspective whereby workers are seen as a critical resource (Beer *et al.*, 1984;

Table 1: *Greenfield Establishments 1987-1992 by Activity and Country of Origin*

	<i>Irish</i>	<i>US</i>	<i>European</i>	<i>Japan</i>	<i>Other</i>	<i>TOTAL</i>
Electrical & Instrument Engineering	1	6	2	1	0	10
Office/Data processing equipment/machinery	0	6	0	3	0	9
Mechanical engineering:						
*Motor parts/vehicles	0	1	2	0	0	3
*Other	0	1	2	1	0	4
Rubber and Plastics	0	1	1	1	1	4
Textiles, Clothing	3	0	0	0	0	3
Food & Drink	2	0	0	0	0	2
Transport & Communications	2	0	0	0	0	2
Chemicals & Pharmaceuticals	0	1	1	0	0	2
Software	1	6	0	0	0	7
Information/Data processing services	0	5	0	0	0	5
Paper, Printing & Publishing	1	0	0	0	0	1
Other services	1	0	0	0	0	1
TOTAL	11	27	8	6	1	53

Walton, 1985). It is argued that managements pursuing this style will seek to develop this "critical resource" through a combination of "individualist" human resource management (HRM) policies in areas such as training, job/work organisation and reward systems (Kochan *et al.*, 1986; Purcell, 1987; Beaumont, 1992). Critical manifestations of higher individualism include the use of performance related pay systems linked to formal appraisals of individual performance and increased direct management-employee communications. In this paper the following variables are used to evaluate the extent of individualism:

- *Sophistication of the Employment and Socialisation System*: measured through an evaluation of the degree of sophistication and relative emphasis on individualism in the management of human resource "flows".
- *Communications*: based on an analysis of the level, nature and sophistication of management-employee communications.
- *Performance-Related Pay*: measured through an analysis of the incidence of performance-related pay systems and the utilisation of

formal performance appraisals to aid performance-related pay decisions among manual/operative grades.

- *Employee Involvement*: measured through an analysis of the extent to which management utilises explicit techniques to facilitate employee involvement in decision-making.
- *Employee Autonomy*: measured through an analysis of the extent to which management seek to facilitate/promote employee autonomy.

The choice of variables and the construction of scales was heavily influenced by the theoretical literature on individualism in industrial relations (see for example, Beaumont, 1985; Beaumont and Townley, 1985; Purcell, 1987; Storey, 1992; Storey and Bacon, 1993). The results on each individualism indicator were further combined to produce an overall composite measure of individualism on a scale from low to high individualism (1-3). Further details on the methods used to translate the study findings into reasonable indicators of individualism in industrial relations are outlined in Appendix 1.

These variables are used to evaluate levels of individualism in Irish greenfield sites and the summary findings are presented in Table 2. The means, standard deviations and Cronbach Alpha coefficients (reliability indicators) of scales on each key variable are presented.

The summary picture emerging from Table 2 suggests that levels of individualism in Irish greenfield companies are just below the mid point of the range with the composite indicator receiving a score of 1.91. This holds true for most of the indicators measured. It is interesting that indicators which measure levels of employee involvement and autonomy score lowest. The highest scoring indicator (above the mid point of the range) addressed the use of performance related pay based on appraisals of individual employee performance among manual/operative grades. The standard deviation scores are quite high indicating considerable disparity in the nature of individualism in the study population.

IV CATEGORISING MANAGEMENT STYLES IN INDUSTRIAL RELATIONS: COLLECTIVISM AND INDIVIDUALISM

We have noted that high levels of collectivism, and specifically trade union recognition and density, are integral to the traditional pluralist model, considered characteristic of industrial relations in Ireland (Roche, 1989, 1994; Brewster and Hegewisch, 1994; Roche and Turner, 1994; Hillery, 1994). Thus, findings on levels of collectivism, and particularly trade union recognition, are critical indicators of change in enterprise level industrial relations (Beaumont, 1985; 1992).

Table 2: *Levels of Individualism in Greenfield Sites*

<i>Variables</i>	<i>Variable Description</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>alpha</i>
Employment System	This variable was based on four indicators: (i) Sophistication of selection techniques; (ii) Sophistication of induction/socialisation; (iii) Techniques used to facilitate employee development; (iv) Line management capacity in employee development. An overall employment system variable was constructed by aggregating these 4 indicators on a scale of 1-3.	1.91	0.71	0.71 (N=4)
Communications	This variable comprises of two indicators: (i) extent of formal employee briefing of non-managerial employees on business strategy and financial performance; (ii) Trends in direct management-employee communications. These two variables were aggregated to produce an overall measure on a scale of 1-3 (Low to High).	1.98	0.89	0.75 (N=2)
Performance Related Pay	Measures the incidence of performance related pay and utilisation of formal performance appraisals to aid PRP decisions among manual/operative grades. Findings on these indicators were aggregated into an overall PRP measure scored on a scale of 1-3.	2.02	0.91	0.81 (N=2)
Employee Involvement	Measures extent to which management utilises explicit techniques to facilitate employee involvement (e.g., briefing groups, quality groups/circles, etc.) and scored on a scale of 1-3.	1.89	0.82	0.81 (N=6)
Employee Autonomy	Measures extent of management seek to facilitate/promote employee autonomy. This variable comprises of four key indicators: (i) Level of responsibility of non-managerial employees for quality; (ii) Level of employee responsibility for work allocation; (iii) extent to which job design reflects a managerial desire to maximise individual employee's skills/abilities; (iv) The dominant supervisory style in the company. Findings on these indicators were aggregated into an overall measure of employee autonomy scored on a scale of 1-3.	1.79	0.86	0.65 (N=4)
Individualism	Overall composite indicator of individualism in industrial relations based on aggregation of above five variables.	1.91	0.69	0.64 (N=5)

This paper utilises four key indicators to measure levels of collectivism in industrial relations: (i) *Trade union presence*: measured through an analysis of levels of trade union recognition and trade union density; (ii) *Pattern of trade union organisation*: measured through an examination of the nature of trade union recognition and impact of trade unions on workplace industrial relations; (iii) *Role of trade unions and other employee representative bodies*: based on an evaluation of the role of trade unions and other employee representative bodies in management-employee communications/interactions; (iv) *Employer association membership and utilisation*: based on the extent to which greenfield companies are in membership of employer associations and on the pattern of utilisation of employer association services. These indicators are also combined to construct an overall composite measure of collectivism. The rationale and methodology underpinning the selection and construction of these measures is outlined in Appendix 2.

Individualism and Collectivism in Industrial Relations: Complementary or Countervailing?

Drawing on the extant literature we can identify two hypotheses which help interpret and explain the interplay of collectivism and individualism as dimensions of management styles in industrial relations in greenfield sites. First, we can draw on some of the “non-union” literature to hypothesise that *high individualism will counterpoise low collectivism* (Foulkes, 1980, 1981; Kochan *et al.*, 1986; Beaumont, 1991; Beaumont and Harris, 1994, 1995; McLoughlin and Gourlay, 1992). In this model, termed the “*countervailing hypothesis*”, it might be expected that greenfield firms characterised by low collectivism will adopt highly individualist industrial relations policies which seek to negate the need for collective employee representation (Beaumont, 1985; Beaumont and Harris, 1994; McLoughlin and Gourlay, 1992; Guest and Hoque, 1994). A second and contrasting hypothesis, termed the “*dualist hypothesis*”, states that *high individualism will complement high collectivism*. This implies that greenfield firms will concurrently adopt high levels of collectivism and individualism and employ what are termed “dualist” industrial relations styles (also see Purcell, 1987; Storey, 1992). It is argued that dualist styles may be appropriate where there is a strong tradition of collective employee representation (Kochan *et al.*, 1986). In the Irish context it might plausibly be suggested that the “dualist” approach is the most likely pattern, given the strong legitimacy of trade unions and collective bargaining (Gunnigle *et al.*, 1994; Roche and Turner, 1994; Roche and Kochan, 1996).

Findings on the measures of collectivism and individualism are combined in Table 3 to provide a summary picture of management styles in industrial relations on these two dimensions. This table helps illustrate whether the

emergent styles serve to support the “*countervailing hypothesis*” (high individualism counterpoises low collectivism) or the “*dualist hypothesis*” (high individualism complements high collectivism).

Table 3: *Management Styles in Industrial Relations: Collectivism and Individualism*

		<i>Individualism</i>		
		<i>1 (Low)</i>	<i>2 (Medium)</i>	<i>3 (High)</i>
<i>Collectivism</i>	1 (Low)	6% (3) <i>ANTI-UNION- INCLINED</i>	28% (15)	17% (9) <i>SOFT-HRM INCLINED</i>
	2 (Medium)	6% (3)	15% (8)	0
	3 (High)	17% (9) <i>TRADITIONAL- INCLINED</i>	9% (5)	2% (1) <i>DUALISM- INCLINED</i>

Four clear categorisations of management styles in industrial relations emerge from Table 3, namely “anti-union”, “soft HRM”, “traditional” and “dualism” inclined styles. Twenty two (42 per cent) of the 53 companies studied were placed into these four categorisations. The failure to clearly place the remaining companies into any of these four styles is not surprising, and is in line with previous analyses of management styles in industrial relations which identify difficulties with placing many firms within “ideal-typical” management style categorisations (Deaton, 1985). Classifications of this nature are inherently limiting and may not reflect organisational reality in the sense that there may be an absence of a clear and preferred management style in some companies or companies may be in transition between styles (Fox, 1974; Purcell and Sisson, 1983; Deaton, 1985; Poole, 1986; Purcell, 1987).

The evidence presented in Table 3 and Table 4 (below) indicates that individualism clearly counterpoises collectivism in Irish greenfield companies. This finding suggests that we should accept the “countervailing hypothesis”. On almost all of the measures there is a negative relationship between individualism and collectivism. The findings in Table 3 provide little evidence of a positive relationship between collectivism and individualism. This evidence indicates that we must therefore reject the “dualist hypothesis” and conclude that “dualist” industrial relations styles are not common in Irish greenfield companies.

These findings should be qualified by the fact that many companies remain

Table 4: *Collectivism and Individualism: Bivariate Correlations*

		INDIVIDUALISM					INDIVIDUALISM
		<i>Employee Autonomy</i>	<i>Direct Communications</i>	<i>Employment System</i>	<i>Employee Involvement</i>	<i>Performance Related Pay</i>	
COLLECTIVISM	Trade Union Presence	-.20 (ns)	-.33*	-.31*	-.17 (ns)	-.62***	-.50***
	Trade Union Organisation	-.12 (ns)	-.18 (ns)	-.19 (ns)	.002 (ns)	-.51***	-.28*
	Collective Communi- cations	-.23 (ns)	-.45**	-.37**	-.26 (ns)	-.67***	-.54***
	Employer Organisation	-.23 (ns)	-.26 (ns)	-.06 (ns)	-.12 (ns)	-.40**	-.35**
	COLLECTIVISM	-.24 (ns)	-.33*	-.25 (ns)	-.12 (ns)	-.60***	-.49***

* = $P < 0.05$; ** $P < 0.01$; *** $P < 0.001$; n.s. = not significant.

un-categorised or "stuck in the middle". To further investigate the issue of collectivism and individualism in industrial relations it is useful to look more closely at the relationship between these approaches. Table 4 outlines the bivariate correlations between both the overall (composite) and constituent measures of collectivism and individualism.

The data presented in Table 4 provides quite a clear picture of the relationship between collectivism and individualism as dimensions of management styles in industrial relations. On almost every measure there is a negative relationship between collectivism and individualism. This negative relationship is most pronounced in the area of performance related pay. This variable measured the extent to which firms used performance related pay (PRP) systems based on formal appraisals of individual employee performance. The use of such PRP systems is probably the most robust indicator of individualism in industrial relations (Beaumont, 1985; Beaumont and Harris, 1994; Bacon and Storey, 1993). Table 4 indicates that there is a significant inverse relationship between the use of such PRP systems and all measures of collectivism. This inverse relationship is most pointed in relation to measures of trade union recognition and density ("presence") and the role of trade unions/other employee representative bodies in communications ("collective communications"). It is clear that PRP systems are most likely to be employed where there are low levels of union recognition and membership and where there is little or no role for collective employee representation.

Overall, the data supports the proposition that individualism counterpoises collectivism. There is little evidence of "dualist" industrial relations styles. Indeed, the evidence indicates increasing polarisation between collectivist and individualist approaches. It appears that the trend is towards a diminution of collectivism and a pronounced shift in favour of more individualist management approaches. In evaluating the implications of these findings one can only make a qualitative assessment of the extent to which the evidence from greenfield sites is indicative of change in Irish industrial relations. With this caveat in mind, the weight of evidence points to substantial change in Irish industrial relations. In particular, we can identify significant erosion of the "traditional pluralist" model, a major increase in the non-union approaches and growing opposition to union recognition.

V LEVELS OF INDIVIDUALISM: EXPLAINING THE VARIATIONS

A range of factors have been advanced to explain variations in management approaches to industrial relations, such as size, labour costs, performance and sector (Beaumont, 1985, 1986, 1992; Beaumont and Harris,

1994; Roche and Turner, 1994; Turner, 1994; Storey and Sisson, 1994). However, while the extant literature identifies a range of causal factors which may explain variations in industrial relations, there is no consensus on the relative significance of these factors, particularly in a greenfield site context (Beaumont, 1985; Kochan *et al.*, 1986; Roche and Turner, 1994). In this section we attempt to identify the relative importance of each factor and distinguish those factors which most significantly explain variations in industrial relations in greenfield sites on the dimension of individualism.

To evaluate the main explanatory factors impacting upon variations in management styles in industrial relations, a range of independent variables were identified and constructed based on the extant literature (see, for example, Kochan *et al.*, 1986). The main variables were grouped as follows: (i) Structural variables: size, workforce profile; (ii) Sectoral variables: industrial sector, activity, technology; (iii) Economic variables: labour costs, performance; (iv) Market variables: market growth, market share, level of product/service diversity and (v) Country of ownership.

Explanations of Variations in Individualism in Industrial Relations

The impact of the independent variables on levels of individualism in industrial relations are summarised in Table 5. In Equation (1) individualism is regressed on all the independent variables, except ownership, using the stepwise method. The extent of individualism is positively associated with male employment ($\beta = 0.23^*$) and negatively associated with the proportion of manual employees ($\beta = -0.34^{**}$) and the extent to which companies sell their products or services on a national basis ($\beta = -0.25^*$). These findings indicate that more individualist industrial relations styles are pursued among companies which employ larger numbers of male, white collar workers and whose main markets are international rather than national.

Apart from the standard independent variables, Equation (1) also included collectivism as a potential explanatory variable. The findings here confirm our earlier analysis of the relationship between collectivism and individualism. Collectivism is the most significant variable, being strongly and negatively associated with levels of individualism ($\beta = -0.49^{***}$). By introducing the ownership variable in Equation (2), we find that US ownership emerges as the most significant factor positively impacting on individualism ($\beta = 0.57^{***}$) and explaining 65 per cent of the reported variance in overall levels of individualism. Levels of individualism are also positively associated with company size ($\beta = 0.37^{**}$).

Table 5: *Determinants of Individualism in Industrial Relations*

INDEPENDENT VARIABLES	DEPENDENT VARIABLE: <i>Individualism</i>	
	Equation (1)	Equation (2)
<i>Structural</i>		
Size	0.17 (ns)	0.37 **
Manual	-0.34 **	-0.29 **
Gender	0.23 *	0.09 (ns)
Temporary	-0.15 (ns)	-0.25 *
<i>Sectoral</i>		
Sector	-0.08 (ns)	0.01 (ns)
Activity	-0.01(ns)	0.01 (ns)
Hi/Lo Tech	0.16 (ns)	0.16 (ns)
<i>Economic</i>		
Labcosts	-0.09 (ns)	-0.01 (ns)
Perform	0.06 (ns)	0.01 (ns)
<i>Market</i>		
Market	-0.25 *	-0.21 (ns)
Diverse	0.01 (ns)	-0.12 (ns)
Matrix	0.13 (ns)	-0.12 (ns)
<i>Ownership</i>		
USA		0.57 ***
IRISH		-0.02 (ns)
EUROPEAN		-0.13 (ns)
CONSTANT+	3.01 ***	2.3 ***
<i>Collectivism</i>	-0.49 ***	0.17 (ns)
R(2)	0.46	0.51
F RATIO	12.0 ***	14.5***
N	53	53
DW	1.92	1.89

* = $P < 0.05$; ** $P < 0.01$; *** $P < 0.001$; ns = not significant.

+ Ownership was entered as a dummy variable in all equations with the Asian coded companies taking the value of the constant. The coefficient reported for the constant is the unstandardised coefficient (β).

To assess the strength of these relationships, the constituent indicators of individualism in industrial relations were disaggregated and regressed on the independent indicators to provide a more in-depth picture of the relationship

between the independent variables and levels of individualism. This data is presented in Table 6.

Table 6: *Explanatory Variables and Constituent Indicators as Determinants of Individualism*

INDEPENDENT VARIABLES	DEPENDENT VARIABLES				
	<i>Employee Autonomy</i>	<i>Employment System</i>	<i>Direct Communi- cations</i>	<i>Employee Involve- ment</i>	<i>Performance Related Pay</i>
<i>Structural</i>					
Size	-0.01 (ns)	0.17 (ns)	0.1 (ns)	0.2 (ns)*	-0.10 (ns)
Manual	-0.18 (ns)	-0.42 ***	-0.43***	-0.31 **	0.02 (ns)
Gender	0.37 **	0.18 (ns)	-0.04 (ns)	0.50 ***	0.04 (ns)
Temporary	-0.20 (ns)	0.04 (ns)	0.26*	0.11 (ns)	-0.11 (ns)
<i>Sectoral</i>					
Sector	0.11 (ns)	-0.44***	0.08 (ns)	0.01 (ns) *	-0.17 (ns)
Activity	-0.01 (ns)	0.06 (ns)	0.11 (ns)	0.10 (ns)	-0.12 (ns)
Hi/Lo Tech	0.10 (ns)	0.09 (ns)	0.25 *	0.09 (ns)	0.04 (ns)
<i>Economic</i>					
Labcosts	-0.10 (ns)	-0.27 *	-0.10 (ns)	-0.08 (ns)	0.17 (ns)
Perform	-0.01 (ns)	-0.08 (ns)	-0.02 (ns)	0.00 (ns)	-0.02 (ns)
<i>Market</i>					
Market	-0.04 (ns)	-0.10 (ns)	-0.07 (ns)	-0.08 (ns)	-0.12 (ns)
Diverse	0.13 (ns)	-0.06 (ns)	0.09 (ns)	-0.03 (ns)	-0.20 (ns)
Matrix	0.39 **	0.13 (ns)	0.09 (ns)	0.26 *	-0.09 (ns)
<i>Ownership</i>					
USA	0.14 (ns)	0.05 (ns)	0.33 **	0.12 (ns)	0.08 (ns)
IRISH	-0.15 (ns)	-0.39 ***	-0.11 (ns)	-0.28 *	0.05 (ns)
EUROPEAN	-0.07 (ns)	-0.19 (ns)	-0.03 (ns)	-0.16 (ns)	0.03 (ns)
Constant+	0.30 (ns)	4.13 ***	2.0 ***	1.4**	3.1 ***
<i>Collectivism</i>					
Collectivism	-0.21 (ns)	-0.06 (ns)	-0.07 (ns)	-0.05 (ns)	-0.60 ***
R(2)	0.17	0.48	0.52	0.40	0.35
F RATIO	6.4 **	13.0 ***	14.8 ***	9.6 ***	29.0 ***
N	53	53	53	53	53
DW	1.56	2.4	2.05	1.73	1.75

* = $P < 0.05$; ** $P = < 0.01$; *** $P = < 0.001$; ns = not significant.

+ Ownership was entered as a dummy variable in all equations with the Asian coded companies taking the value of the constant. The coefficient reported for the constant is the unstandardised coefficient (β).

This analysis finds that the proportion of male employees is positively related to levels of employee autonomy (beta = 0.37**) and employee involvement (beta = 0.5***). Product market performance is also positively associated with autonomy (beta = 0.39**) and employee involvement (beta = 0.26*). This finding presents quite a conventional picture, suggesting that companies in more comfortable trading positions, and employing proportionately more male employees, are most likely to be characterised by industrial relations styles which afford employees greater levels of autonomy and involvement (also see Marchington, 1990). The evidence presented in Table 6 suggests that the level of sophistication of the employment system and the relative emphasis on individualism in the management of human resource "flows" is significantly and negatively related to the proportion of manual workers employed (beta = -0.42***), the proportion of total production/services costs accounted for by labour costs (beta = -.27*) and indigenous ownership (beta = -0.39***). Again the negative relationship with manual employment is not surprising and is in line with the extant literature which suggests levels of sophistication and individualism in industrial relations are positively associated with white collar type employment (Beer *et al.*, 1984; Turner, 1994). The impact of the ratio of labour costs to total costs is interesting and appears related to the negative impact of Irish ownership on the extent of sophistication in the management of human resource flows. Numerous studies have pointed to the contrasts in capital intensity between indigenous and foreign owned companies in Ireland. For example, McAleese and Matthews (1987) and Foley (1990) have pointed to the limited presence of indigenous companies in high technology sectors compared to the European Union average and their primary reliance on local markets. In the area of communications, the evidence in Table 6 indicates that the level, nature and sophistication of communications with employees is significantly and positively related to US ownership (beta = 0.33**), location in "advanced" industrial sectors (beta = 0.25*) and the employment of temporary workers (beta = 0.26*). The positive impact of US ownership and level of technology is in line with our earlier discussions on overall levels of individualism. The positive impact of temporary work is a little surprising but is perhaps best understood in relation to employment patterns in many US owned companies in the electronics and software sectors. Many of these companies place a strong emphasis on direct communications with individual employees. However, many also employ a cadre of temporary workers to help the company deal with fluctuations in demand and also to buffer more permanent grades against lay-offs. It is important to point out that a strong emphasis on individual communications should not be interpreted as implying high levels of employee influence or autonomy. Also the relationship

between temporary working and a strong communications focus may indeed be indirect: this means that in effect companies with higher levels of temporary working may place a strong emphasis on communications but the focus of their communications effort may be on their permanent rather than their temporary grades.

The final indicator of individualism analysed in Table 6 is arguably the most critical, namely the extent of utilisation of performance related pay (PRP) systems based on individual performance appraisals among manual/operative grades. On this measure, the findings are quite emphatic: the incidence of PRP systems based on individual appraisals is significantly and negatively associated with levels of collectivism (beta = -0.6^{***}).

Identifying the Key Explanatory Factors

As noted above, a broad range of factors have been identified in the literature as possible explanations of variation in industrial relations (Beaumont, 1985; Kochan *et al.*, 1986; Poole, 1986; Purcell, 1987). From these studies it is possible to hypothesise that *the incidence of management styles industrial relations characterised by high levels of individualism will be positively associated with US ownership, location in advanced industrial sectors, low labour costs, and strong product market performance*. It is useful to examine the results for each potential explanatory factor outlined in the hypothesis. Due to the possibility of a high level of collinearity between US ownership and location in high technology sectors, the impact of both these factors are considered together.

US Ownership and Location in Advanced Industrial Sectors

In this study country of ownership was used as a proxy variable to evaluate the impact of managerial values on variations in industrial relations. The rationale for this approach is based on the premise that managerial preferences in industrial relations will be most significantly exposed in greenfield sites and that the actual styles chosen will closely reflect underlying managerial values associated with country of ownership (Lawler, 1982; Beaumont, 1985, 1986; Beaumont and Townley, 1985; Whitaker, 1986; Poole, 1986).

Ireland is a particularly appropriate case for evaluating the impact of ownership on variations in management styles in industrial relations. It is a small, open economy and has pursued a policy of actively encouraging direct foreign investment since the early 1960s. Despite this high level of foreign investment and tentative suggestions that ownership significantly impacts on industrial relations (Murray 1984; Toner, 1987), it is interesting that the most representative analyses of industrial relations in Irish organisations did

not identify company ownership as a significant variable (Roche and Turner, 1994; Turner, 1994). Both these papers focused on longer established ("brownfield") companies and tested the impact of a broad range of standard independent variables on human resource policy outcomes, most particularly trade union recognition. The authors found that company ownership did not have any significant impact on levels of unionisation.

In contrast, company ownership, and specifically US ownership, emerges as consistently the single most significant variable explaining variations in industrial relations in greenfield sites. On the collectivism dimension company ownership exerted the greatest impact, explaining 82 per cent of the reported variance in levels of collectivism. Levels of collectivism were positively associated with European ownership and negatively associated with US ownership. This was particularly the case in relation to the critical indicators of trade union presence. Non-union companies were predominantly US owned, while, in contrast, all of the European companies recognised trade unions. On the individualism dimension, US ownership emerged as the most significant factor positively impacting on levels of individualism and explaining 65 per cent of the reported variance. The critical impact of ownership is further illustrated in Table 7 below, which presents the mean and standard deviation scores on the dimensions of collectivism and individualism disaggregated by ownership. This table clearly illustrates the considerable contrast between US and other companies on the dimensions of collectivism and individualism. US companies score highest on the individualism measures and lowest on collectivism measures. Conversely, European owned companies score highest on measures of collectivism and lowest on individualism.

Table 7: *Company Ownership, Collectivism and Individualism*

<i>Nationality</i>	<i>COLLECTIVISM (1-3)*</i>		<i>INDIVIDUALISM (1-3)</i>	
	<i>Mean</i>	<i>Std. dev.</i>	<i>Mean</i>	<i>Std. dev.</i>
USA	1.30	0.87	2.30	0.54
ASIAN	1.86	0.90	1.86	0.38
IRISH	2.09	0.67	1.46	0.69
EUROPEAN	2.88	0.35	1.25	0.46

* 1=low; 2=medium; 3=high for collectivism and individualism.

These findings clearly identify company ownership and specifically US ownership as a critical factor significantly impacting on industrial relations in greenfield sites. However, a number of authors have pointed to the strong possibility of high levels of collinearity between location in advanced

industrial sectors and US ownership (Beaumont and Harris, 1994; Roche and Turner, 1994). To avoid any resulting spurious relationships, the initial regressions on individualism were first run by excluding the ownership dummy variables. Despite this approach, location in advanced industrial sectors did not achieve significance in any of these equations.

Impact of relative Labour Costs

A number of commentators have suggested that relative labour costs as a percentage of total production or service costs can exert a significant impact on enterprise level industrial relations (Marchington, 1990; Mitchell, 1994). In particular, it is suggested that more traditional adversarial and collective industrial relations styles will be adopted in higher labour costs companies while a more benign, consensual and individualist orientation will be adopted in companies with low relative labour costs (Foulkes, 1980; Thurley and Wood, 1983; Marchington and Parker, 1990; Mitchell, 1994).

Our analysis found that relative labour costs did not significantly impact on variations in industrial relations. This finding may reflect the fact that most, if not all, greenfield companies need to exert considerable control over labour costs. While this finding is somewhat out of line with some of the established literature on patterns of industrial relations management (Foulkes, 1980, Marchington, 1990; Marchington and Parker, 1990) it finds support in a recent analysis of payment practices in Irish multinational companies (Roche and Geary, 1994). Roche and Geary noted that a significant trend during the 1970s and early 1980s was for foreign owned companies to concede "above the norm" pay increases. However, the authors note the abandonment of this approach since the mid-1980s with most such companies settling within the norm. By and large, foreign owned companies in Ireland are more capital intensive and have lower relative labour costs than their indigenous counterparts (Foley, 1990). Extrapolating the logic of Roche and Geary's analysis it appears that foreign owned companies could absorb "above the norm" pay increases in previous years due to a combination of less intense competitive pressures and lower relative labour costs. However, in the face of significantly increased competitive pressures, labour costs have now become a focus of management control in foreign owned companies to a degree only previously experienced in high labour cost companies, primarily of indigenous ownership.

Impact of Product Market Performance

The nature of a firm's product market performance and its product market position relative to competitors is identified in the contemporary literature as an important factor impacting on industrial relations (Marchington, 1990;

Marchington and Parker, 1990; Thurley and Wood, 1983; Kochan *et al.*, 1986). In essence it is suggested that companies who are performing well in their respective product markets are likely to adopt more benign and sophisticated industrial relations practices, largely as a result of their strong financial position. In contrast, firms who are experiencing difficulties in their product markets are likely to adopt more traditional, adversarial industrial relations styles (Kochan *et al.*, 1986; Marchington and Parker, 1990). This study used a number of indicators of product market performance as follows: (i) location of major markets; (ii) financial performance relative to sectoral norm and (iii) product market position. This latter variable was based on the Boston Consulting Group's portfolio "matrix" (see Hedley, 1977).

Our findings suggest that the extent of an individualist management orientation in industrial relations is positively associated with the extent to which companies sell their products or services on an international basis. Product market performance also impacts positively on levels of employee autonomy and employee involvement. The study findings on the relationship between product market performance and industrial relations indicate that market performance and market location positively impact on levels of individualism in industrial relations. It appears that high performing companies with a strong international focus are most likely to adopt industrial relations styles characterised by high levels of individualism.

VI CONCLUSIONS AND DISCUSSION

The evidence presented in this paper points to a severe erosion in levels of trade union recognition and density in newly established firms. The second critical characteristic of emergent patterns of industrial relations in Irish greenfield companies is a greater emphasis on individualism. The most significant indicators of higher levels of individualism were performance-based pay systems tied to individual employee appraisals and greater direct communications with employees.

Roche (1990) has argued that, traditionally, industrial relations practice in Ireland has been based on a willingness to accept collective bargaining in pursuit of industrial peace. It now appears that more competitive product markets, high unemployment and a decline in "traditional" manufacturing is undermining the traditional power-base of unions and fostering more aggressive anti-union styles. It also appears that, in many greenfield sites, managements are seeking to adopt patterns of industrial relations management which contrast with those in the "brownfield" sector by excluding trade unions and developing a greater individualist orientation.

Country of ownership emerges as the most critical explanatory variable

impacting upon variations in industrial relations. The impact of ownership was most significant in explaining variations in levels of collectivism and individualism. European ownership was the most significant independent variable positively associated with collectivism, while US ownership was the most significant variable negatively impacting upon levels of trade union recognition and density. The impact of US ownership was most pronounced in impacting on levels of individualism: US ownership was the single most significant factor positively impacting on levels of individualism in industrial relations.

Turning to the broader implications of this our research, it is useful to consider the import of our findings for industrial relations practice. First, our evidence points to a considerable take-up in individualist HRM practices among greenfield companies. While this is greatest in US owned companies, the evidence also points to extensive use of such HRM practices among many other greenfield firms. The main areas of focus are performance related pay, communications and managing human resource flows (i.e. recruitment, socialisation and training). However, the take-up of HRM practices designed to facilitate individual worker involvement and autonomy was quite low.

A second and related theme points to the emergence of industrial relations styles which diverge from the traditional pluralist model. However, the emergent industrial relations styles could be classified as "soft" HRM in only a minority of cases. Indeed, the more common pattern approximated to what has been termed "hard" HRM. The "soft" HRM style is commonly associated with "high commitment" work systems. It is characterised by a resource perspective of employees, incorporating the view that there is an organisational pay-off in performance terms from the utilisation of a combination of "sophisticated" HR policies designed to develop employee commitment, and promote the mutuality of management and employee interests. In organisations pursuing this style one would expect to see sophisticated recruitment and socialisation systems, extensive training and development, high levels of employee involvement and autonomy and an above average pay and benefits system. This approach commonly relies on a *union substitution* premise, whereby firms, while not claiming to be overtly "anti-union", take careful steps to eliminate employee needs for collective representation by, for example, extensive line management training in industrial relations, prompt handling of employee grievances, good terms and conditions of employment, and a facilitative supervisory style. In our study only seven of the fifty-three companies adopted all the hallmarks of "soft HRM". All but one of these companies were US-owned and all were manufacturing companies operating from strong market positions. In contrast, the "hard" HRM style places the primary emphasis on minimising the transaction costs of labour. This is

commonly achieved through extensive use of outsourcing and, particularly, through the use of subcontracted labour and other forms of atypical employment. This approach is also associated with intensified work systems, characterised by increased work flow/pace. While union avoidance is equally significant under this style, it is achieved more by union suppression than union substitution. Our findings indicate that this style was common among US-owned information/data processing services and electronics assembly companies operating in a sub-contracting mode to major manufacturers. A final alternative industrial relations style is the so called "dualist" approach, characterised by an acceptance of the legitimacy of collective employee representation but supplemented by a strong individualist emphasis. This style involves the use of selected HRM techniques, such as sophisticated selection, extensive direct communications with employees and performance-related pay systems, alongside established collective bargaining procedures. Our research found that this style was extremely rare and, in its "pure form" (high levels of collectivism and individualism), was confined to only one of the fifty three greenfield companies studied.

A final theme emerging from our study is the link between individualist HRM practices and trade union recognition. While our analysis did not demonstrate a definitive causal relationship, the weight of evidence indicates that the adoption of individualist HRM approaches has negatively impacted on union penetration in greenfield companies. While the use of HRM practices to facilitate union avoidance was predominantly confined to US companies, there was some evidence of similar approaches among indigenous and Japanese owned firms. It appears that while the initial adoption of individualist industrial relations policies was almost exclusively a US company phenomenon, such policies are increasingly pervading other companies and industries.

In conclusion, it is useful to reflect on the diminution of union penetration among greenfield companies. While it appears that HRM practices at the enterprise level are serving to mitigate union penetration, it is necessary to look at developments in the broader business environment to more fully explain these developments. Of particular significance is the socio-economic climate. The greenfield study is based on new firms established in the period 1987-1992. The Irish macro-economic climate of the late 1980s and early 1990s presented quite a contrast to earlier decades. Intensified international competition combined with high levels of unemployment characterised the Irish economy for much of the period. Indigenous and foreign-owned companies were forced to adapt their industrial relations practices in the face of increased price competition, particularly from the emerging "Pacific rim" economies (Hastings, 1994). Greenfield companies were arguably better

placed to adopt management-led industrial relations initiatives designed to simultaneously improve product/service quality, cost control and flexibility. For many of these new companies, and particularly those of US origin, trade union avoidance constituted an important element of their competitive positioning.

From the broader public policy perspective, Governments were preoccupied with job creation. Consequently, issues such as trade union recognition and adherence to other characteristics of what was traditionally seen as constitutive of good industrial relations, decreased in relative importance. It should be noted that the role of the industrial promotions agencies vested with responsibility for wooing foreign investment incorporates a significant industrial relations dimension. There is little doubt that the industrial promotions agencies have changed their position on trade union recognition over the years (see McGovern, 1989). In the 1960s and 1970s these agencies promoted union recognition among new inward investing firms, specifically by recommending pre-production union recognition agreements and arranging introductions to trade union officials. However, since the 1980s, it is clear that these development agencies have withdrawn from this pro-union stance and adopted a more neutral position. This change was accentuated by increased competition for mobile foreign investment. In the face of such competition, the Irish development agencies were forced to lessen their traditional collectivist orientation and, rather, emphasise the scope for foreign companies to adopt industrial relations policies "best suited" to their particular business needs (such as the desire to go non-union).

It also seems that many of the sectors targeted by the industrial promotions agencies are quite inimical towards trade unions, specifically electronics, software development and internationally traded services. Many of these are also characterised by high levels of market volatility. As a result, such organisations place a premium on their ability to adjust their operations and employment quickly in line with market changes. The perception that union recognition would impinge on such flexibility is an important factor encouraging such firms to go non-union. Another factor which may also help explain the lower level of union penetration in greenfield companies is the increasing availability of role models of companies which have established and sustained a non-union approach.

A final factor contributing to the change in union penetration is the changed skill and education profile of the Irish workforce. The period since the 1970s has witnessed a huge increase in education levels with a pronounced growth in third-level education. The absorption of increased graduate numbers into white collar and technical positions, in particular, contributed to a workforce profile which appear less sympathetic to trade

union membership. This development is captured in the following quote from a senior manager, with experience in two different US greenfield companies:

While there was undoubtedly an overall corporate anti-union bias ... one of the most interesting developments which I found was that Irish employees, particularly graduate software engineers, quickly embraced the individual performance evaluation approach of their peer group colleagues in the parent company. Many of them, who were recognised and rewarded financially by the company as "individual contributors", preferred to represent themselves rather than get tied up in a union-imposed grading system with the accompanying incremental wage scales based on years of service, not only for salary increases, but also for promotion. (CEO: US "high tech" manufacturing company).

The combination of these factors meant that by the mid-1980s the Irish socio-political climate had become a lot less favourable for trade unions. Even though unions enjoyed considerable political support and became increasingly integral to corporatist-style centralised agreements, the exigencies of increased market competition at enterprise level, high unemployment and a changing socio-economic workforce profile meant that unions increasingly faced employer opposition, more recalcitrant employees and a diminution in traditional public policy support for union organisation. For US companies in particular, this created an environment where non-union policies could be established and sustained. Thus, while unitarist values may have always been present, the combination of social, economic and political developments in Ireland since the 1980s have created a context in which these values could be translated into practice in companies establishing at greenfield sites to an extent not possible in previous decades.

BIBLIOGRAPHY

- BASSETT, P., 1987. *Strike Free: New Industrial Relations in Britain*, London: Macmillan.
- BACON, N., and J. STOREY, 1993 "Individualization of the Employment Relationship and the Implications for Trade Unions", *Employee Relations*, Vol. 15, No. 1, pp. 5-17.
- BEAUMONT, P.B., 1985. "New Plant Work Practices", *Personnel Review*, Vol. 14, No. 5, pp. 15-19.
- BEAUMONT, P.B., 1986. "Management Opposition to Union Organisation: Researching the Indicators", *Employee Relations*, Vol. 8, No. 5, pp. 31-38.
- BEAUMONT, P.B., 1987. *The Decline of Trade Union Organisation*, London: Croom-Helm.
- BEAUMONT, P.B., 1991. "Trade Unions and HRM", *Industrial Relations Journal*, Vol. 22, No. 4, pp. 300-308.

- BEAUMONT, P.B., 1992. "The US Human Resource Management Literature: A Review", in Graeme Salaman (ed.), *Human Resource Strategies*, London: Open University/Sage.
- BEAUMONT, P.B., 1995. *The Future of Employment Relations*, London: Sage.
- BEAUMONT, P.B., and B. TOWNLEY, 1985. "Greenfield Sites, New Plants and Work Practices", in Valerie Hammond (ed.), *Current Research in Management*, London: Frances Pinter.
- BEAUMONT, P.B., and R.I.D. HARRIS, 1994. "Opposition to Unions in the Non-Union Sector in Britain", *International Journal of Human Resource Management*, Vol. 5, No. 2, pp. 457-471.
- BEAUMONT, P.B., and R.I.D. HARRIS, 1995. "Union Recognition and Declining Union Density in Britain", *Industrial and Labor Relations Review*, Vol. 48, No.3 (April), pp. 389-402.
- BEER, M., B. SPECTOR, P.R. LAWRENCE, D. QUINN-MILLS, and R.E. WALTON, 1984. *Managing Human Assets: The Groundbreaking Harvard Business School Program*, New York: The Free Press.
- BENDIX, R., 1956. *Work and Authority in Industry*, New York: John Wiley.
- BLYTON, P., and P. TURNBULL, 1992. *Reassessing Human Resource Management*, London: Sage.
- BLYTON, P., and P. TURNBULL, 1994. *The Dynamics of Employee Relations*, London: Macmillan.
- BREWSTER, C., and A. HEGEWISCH, 1994. "Policy and Practice in European Human Resource Management: The Price Waterhouse Cranfield Survey", London: Routledge.
- DEATON, D., 1985. "Management Style and Large Scale Survey Evidence", *Industrial Relations Journal*, Vol. 16, No. 2, pp. 67-71.
- DEPARTMENT OF ENTERPRISE AND EMPLOYMENT, Annual Reports, Dublin: Department of Enterprise and Employment, 1990-1994.
- FOLEY, A., 1990. "Indigenous Manufacturing", in Anthony Foley and Michael Mulreany (eds.), *The Single European Market and the Irish Economy*, Dublin: Institute of Public Administration.
- FOULKES, F.K., 1980. *Personnel Policies in Large Non-union Companies*, Englewood Cliffs N. J.: Prentice-Hall.
- FOULKES, F.K., 1981. "How Top Non-Union Companies Manage Employees", *Harvard Business Review* (September-October), pp. 90-96.
- FOX, A., 1974. *Beyond Contract: Work, Power and Trust Relations*, London: Faber.
- GUEST, D., 1989. "Human Resource Management: Its Implications for Industrial Relations and Trade Unions", in John Storey (ed.), *New Perspectives on Human Resource Management*, London: Routledge.
- GUEST, D., and K. HOQUE, 1994. "The Good, the Bad and the Ugly: Employment Relations in New Non-Union Workplaces", *Human Resource Management Journal*, Vol. 5, No. 1, pp. 1-14.
- GUNNIGLE, P., 1995. "Collectivism and the Management of Industrial Relations in Greenfield Sites", *Human Resource Management Journal* Vol. 5, No. 3, pp. 24-40.
- GUNNIGLE, P., P. FLOOD, M. MORLEY, and T. TURNER, 1994. *Continuity and Change in Irish Employee Relations*, Dublin: Oak Tree Press.

- GUNNIGLE, P., M. MORLEY, N. CLIFFORD, and T. TURNER, 1997. *Human Resource Management in Irish Organisations: Practice in Perspective*, Dublin: Oak Tree Press (forthcoming).
- HASTINGS, T., 1994. *Semi-States in Crisis: The Challenge for Industrial Relations in the ESB and Other Major Semi-State Companies*, Dublin: Oak Tree Press.
- HEDLEY, B.D., 1977. "Strategy and the Business Portfolio", *Long Range Planning* (February), pp. 9-15.
- HILLERY, B., 1994. "The Institutions of Industrial Relations", in T.V. Murphy, and W.K. Roche (eds.), *Irish Industrial Relations in Practice*, Dublin: Oak Tree Press.
- KEENOY, T., 1990. "HRM: A Case of the Wolf in Sheep's Clothing?" *Personnel Review*, Vol. 19, No. 2, pp. 3-9.
- KOCHAN, T.A., H.C. KATZ, and R.B. MCKERSIE, 1986. *The Transformation of American Industrial Relations*, New York: Basic Books.
- LAWLER, E.E., 1978. "The New Plant Revolution", *Organisational Dynamics* (Winter), pp. 3-12.
- LAWLER, E.E., 1982. "Increasing Worker Involvement to Enhance Organisational Effectiveness", in Paul S. Goodman (ed.), *Change in Organisations*, San Francisco: Jossey Bass.
- MARCHINGTON, M., 1990. "Analysing the Links Between Product Markets and the Management of Employee Relations", *Journal of Management Studies*, Vol. 27, No. 2, pp. 111-132.
- MARCHINGTON, M., and P. PARKER, 1990. *Changing Patterns of Employee Relations*, Hemel Hempstead: Harvester Wheatsheaf.
- McALEESE, D., and A. MATTHEWS, 1987. "The Single European Act and Ireland: Implications for a Small Member State", *Journal of Common Market Studies*, Vol. 26, No. 1, pp. 39-60.
- McGOVERN, P., 1989. "Union Recognition and Union Avoidance in the 1980s", in *Industrial Relations in Ireland: Contemporary Issues and Developments*, Dublin: University College Dublin.
- McLOUGHLIN, I., and S. GOURLAY, 1992. "Enterprise Without Unions: The Management of Employee Relations in Non-Union Firms", *Journal of Management Studies*, Vol. 29, No. 5, pp. 669-691.
- MILLWARD, N, M. STEVENS, D. SMART, and W. HAWES, 1992. *Workplace Industrial Relations in Transition*, Aldershot: Dartmouth.
- MITCHELL, D.J.B., 1994. *Human Resource Management: An Economic Approach*, Boston: PWS-Kent.
- MURPHY, T.V., and W.K. ROCHE (eds.), 1994. *Irish Industrial Relations in Practice*, Dublin: Oak Tree Press.
- MURRAY, S., 1984. "Industrial Relations in Irish Private Sector Manufacturing Industry", Dublin: Industrial Development Authority.
- POOLE, M., 1986. "Managerial Strategies and Styles in Industrial Relations: A Comparative Analysis", *Journal of General Management*, Vol. 12, No. 1, pp. 40-53.
- PURCELL, J., 1987. "Mapping Management Styles in Employee Relations", *Journal of Management Studies*, Vol. 24, No. 5, pp. 533-548.
- PURCELL, J., and A. GRAY, 1986. "Corporate Personnel Departments and the Management of Industrial Relations: Two Case Studies in Ambiguity", *Journal of Management Studies*, Vol. 23, No. 2, pp. 205-223.
- PURCELL, J., and K. SISSON, 1983. "Strategies and Practice in the Management of

- Industrial Relations", in George S. Bain (ed.), *Industrial Relations in Britain*, Oxford: Basil Blackwell.
- ROCHE, W.K., 1989. "State Strategies and the Politics of Industrial Relations in Ireland", in *Industrial Relations in Ireland: Contemporary Issues and Developments*, Dublin: University College Dublin.
- ROCHE, W.K., 1990. "Industrial Relations Research in Ireland and the Trade Union Interest". Paper presented to the Irish Congress of Trades Unions Conference on Joint Research between Trade Unions, Universities, Third Level Colleges and Research Institutes, Dublin.
- ROCHE, W.K., 1992. "The Liberal Theory of Industrialism and the Development of Industrial Relations in Ireland", in John H. Goldthorpe and Chris T. Whelan (eds.), *The Development of Industrial Society in Ireland*, Oxford: Oxford University Press.
- ROCHE, W.K., 1994. "The Trend of Unionisation", in Thomas V. Murphy and William K. Roche (eds.), *Irish Industrial Relations in Practice*, Dublin: Oak Tree Press.
- ROCHE, W.K., and J. GEARY, 1994. "The Attenuation of Host Country Effects? Multinationals, Industrial Relations and Collective Bargaining in Ireland", Working Paper, Smurfit Graduate School of Business, University College Dublin.
- ROCHE, W.K., and THOMAS TURNER, 1994. "Testing Alternative Models of Human Resource Policy Effects on Trade Union Recognition in the Republic of Ireland", *International Journal of Human Resource Management*, Vol. 5, No. 3, pp. 721-753.
- ROCHE, W.K., and T.A. KOCHAN, 1996. "Strategies for Extending Social Partnership to Enterprise and Workplace Levels in Ireland", Report Prepared for the National Economic and Social Council (Draft), Dublin: July.
- STOREY, J., 1992. *Developments in the Management of Human Resources*, Oxford: Basil Blackwell.
- STOREY, J., and N. BACON, 1993. "Individualism and Collectivism: Into the 1990s", *International Journal of Human Resource Management*, Vol. 4, No. 3, pp. 665-683.
- STOREY, J., and K. SISSON, 1994. *Managing Human Resources and Industrial Relations*, Buckingham: Open University Press.
- THURLEY, K., and S. WOOD (eds.), 1983. *Industrial Relations and Management Strategy*, Cambridge: Cambridge University Press.
- TONER, B., 1987. "Union or Non-union Employee Relations Strategies in the Republic of Ireland", Unpublished PhD Thesis, London School of Economics.
- TURNER, T., 1994. "Unionisation and Human Resource Management in Irish Companies", *Industrial Relations Journal*, Vol. 25, No. 1, pp. 39-51.
- WALTON, R.E., 1982. "The Topeka Work System: Optimistic Visions, Pessimistic Hypothesis and Reality", in R. Zager and M. Rosow, (eds.), *The Innovative Organisation*, New York: Pergamon.
- WALTON, R.E., 1985. "From Control to Commitment in the Workplace", *Harvard Business Review* (March-April), pp. 77-84.
- WHITAKER, A. 1986. "Managerial Strategy and Industrial relations: A Case Study of Plant Relocation", *Journal of Management Studies*, Vol. 23, No. 6, pp. 657-678.

APPENDIX 1

Variables used to construct composite measures of Individualism

Variable 1: *Sophistication of the Employment and Socialisation system*: This variable measures the degree of sophistication and relative emphasis on individualism in the management of human resource “flows” into and through the organisation. This was the most complex variable to construct and was developed on the basis of four key indicators (sophistication of selection, induction/socialisation, employee development techniques and line management capacity to facilitate employee development). These four indicators were, in turn, based on the aggregation of information gathered from both the survey and qualitative interview phases of this study. The construction of these variables is summarised briefly as follows:

- (i) *Sophistication of selection techniques*: This indicator measures the sophistication of techniques used to select new employees. It was based on the incidence of specified selection techniques, such as interviews, aptitude tests, etc., and scored on a scale of 1-3 (low-high) in accordance with the reported utilisation of these selection techniques.
- (ii) *Sophistication of induction/socialisation of new employees*: This indicator measures the level of sophistication of induction/socialisation of new employees and was, in turn, constructed on the basis of three indicators as follows: (a) duration of programme; scored 0 (less than one day) and 1 (one to five days); (b) Chief executive involvement in induction; scored 0 (not integrally involved) and 1 (integrally involved); (c) nature/content of induction programme; scored 0 (None/basic programme) and 1 (Extensive, comprehensive programme). Responses on each of these indicators were then aggregated into an overall induction variable and scaled on a range of 1-3 (low-high) as follows: 1 (no/very basic induction programme, no/little top management involvement); 2 (basic induction programme, some top management involvement) and 3 (comprehensive induction programme, significant top management involvement).
- (iii) *Techniques used to facilitate employee development*: This indicator measures the use of three specific techniques to facilitate individual employee development among non-managerial employees, namely formal performance appraisals, succession planning and financial support for further education. These were scored on a range of 1-3 as

follows: 1 (no/extremely limited use); 2 (use of at least two of the three techniques) and 3 (all three techniques used to facilitate individual employee development).

- (iv) *Line management capacity for employee development*: This indicator measures the emphasis on developing the training and development capacity of line management. It was constructed from data on the extent to which line managers received formal training/development in (a) conducting performance appraisals; (b) management-employee communications; (c) total quality management or equivalent; (d) individual staff development and (e) handling employee grievances. This variable was scored on a scale of 1-3 as follows: 1 (low capacity: line management trained in one or none of the above areas); 2 (medium capacity: line management trained in two or three of these areas); 3 (high capacity; line management trained in four or all areas).

An overall employment and socialisation system variable was then constructed by aggregating the scores on each of the four constituent indicators above. This overall variable was also scored on a 1-3 (low-high) scale as follows: 1 (very basic selection process; no/little sophistication in induction/socialisation; low line-management capacity to undertake employee development; little/no utilisation of management techniques to facilitate employee development); 2 (medium level of sophistication in selection; basic sophistication induction/socialisation programme but very limited top management involvement; medium line-management capacity in employee development; some utilisation of management techniques to undertake employee development) and 3 (comprehensive selection process; comprehensive induction/socialisation programme with considerable top management involvement; high line-management capacity in employee development; high level of utilisation of management techniques to undertake employee development).

Variable 2: *Communications*: This variable measures the incidence of employee briefing on issues of corporate significance and the levels of sophistication in the techniques used by management to facilitate management-employee communications and the relative emphasis on developing an essentially individualist focus in such communications. It was constructed on the basis of two key indicators as follows: (i) incidence and nature of formal briefing of non-managerial employees on (a) business strategy and (b) financial performance. These two indicators were aggregated into one overall communications variable scaled on a range of 1-3 (low-high) as

follows: 1 (no formal briefing); 2 (formal briefing on business strategy *only*) and 3 (formal briefing on business strategy and financial performance).

Variable 3: *Employee Involvement*: This variable measures the extent to which management utilises explicit techniques to facilitate employee involvement in decision-making (e.g., consultative/briefing groups, quality groups/circles, etc.). It was constructed on the basis of the extent of utilisation of a prescribed group of employee involvement techniques and scored on a 1-3 range as follows: 1 (no/little use of techniques to facilitate employee involvement), 2 (some use of techniques to facilitate employee involvement) and 3 (extensive use of techniques to facilitate employee involvement).

Variable 4: *Employee Autonomy*: This variable measures the extent to which managements seek to facilitate/promote employee autonomy. It was constructed on the basis of the following indicators of employee autonomy: (i) level of responsibility of non-managerial employees for quality/quality control scored as 0 (none/little) and 1 (largely or totally responsible); (ii) level of employee responsibility for work allocation scored as 0 (none/little) and 1 (largely or totally responsible); (iii) extent to which job design reflects managerial attempts/desire to maximise the use of individual employees' skills and abilities scored as 0 (no attempt/desire to maximise individual employees' skills/abilities) and 1 (some/considerable attempt/desire to maximise individual employees' skills/abilities); (iv) The dominant supervisory style adopted in the company scored as follows: 0 (largely autocratic style) and 1 (democratic style/considerable scope for employee autonomy). These four indicators were then aggregated into an overall measure of employee autonomy and scored on a range of 1-3 (low-high) as follows: 1 (little/no employee responsibility for quality or work allocation, autocratic supervisory style and no management attempt/desire to maximise employees' skills/abilities through job design), 2 (Some but limited employee responsibility for quality or work allocation, autocratic/semi-autocratic supervisory style and little/no management desire to maximise employees' skills/abilities through job design) and 3 (high levels of employee responsibility for quality or work allocation, democratic supervisory style and strong management attempt/desire to maximise individual employees' skills/abilities through job design).

Variable 5: *Performance-Related Pay*: This variable measures the incidence of performance-related pay systems and the utilisation of formal performance appraisals to aid performance-related pay decisions among manual/operative grades. It was constructed on the basis of two key indicators: (i) use of performance-related pay among manual/operative grades and (ii) use of

formal appraisals of individual employee performance to make performance-related pay decisions. These indicators were aggregated to produce an overall performance-related pay indicator and scored on a scale of 1-3 as follows: 1 (no individual PRP), 2 (PRP but no use of individual appraisals to aid PRP decisions) and 3 (individual appraisals used to aid PRP decisions).

APPENDIX 2

Variables used to construct composite measures of Collectivism

Variable 1: *Trade Union Presence*: This variable measures the nature of trade union penetration in the companies studied. It is essentially a composite variable based on the aggregation of data on (i) the extent of trade union recognition and (ii) the level of union membership (density) among non-managerial employees. Results on these two indicators were aggregated and scored on a 1-3 scale from low to high trade union presence as follows: 1 (low: no trade union recognition; no/low level of trade union membership); 2 (medium: trade union recognition but trade union density less than 50 per cent) and 3 (high: trade union recognition and trade union density greater than 50 per cent) (see Table 5.1).

Variable 2: *Membership and Patterns of Utilisation of Employer Associations*: This variable measures the level and nature of employer association membership among greenfield site companies. It is a composite variable based on the incidence of employer association membership among the study population and the pattern of utilisation of employer association services. The latter indicator was constructed on the basis of patterns of utilisation of three specific employer association services, namely (i) direct involvement/assistance in industrial relations negotiations; (ii) advice on industrial relations issues; (iii) advice on general personnel/HR issues. Results on these two indicators were aggregated and scaled 1-3 (low-high) as follows: 1 (low: not in membership of employer association); 2 (medium: in membership but employer association only used in advisory capacity) and 3 (high: in membership and employer association directly involved in industrial relations negotiations).

Variable 3: *Patterns of trade union organisation*: This variable measures the pattern of trade union organisation in greenfield companies. Again this is a composite constructed on the basis of the following indicators of trade union organisation: (a) numbers and types of trade unions recognised scored as 1 (no union recognition), 2 (one [general] union recognised) and 3 (more than

one union recognised including a general union and a craft or white collar union); (b) incidence and nature of (post-entry) closed shop arrangement scored as follows: 1 (not applicable); 2 (union recognition but no closed shop) and 3 (closed shop agreement(s) with one or more unions); (c) impact of trade union(s) on workplace industrial relations scored as 1 (not applicable/no impact); 2 (little/minor impact) and 3 (considerable/major impact). These three indicators were then aggregated into an overall measure of patterns of trade union organisation and scored on a range of 1-3 as follows: 1 (no/poor trade union organisation as indicated by absence of closed shop agreement(s), and little/no trade union impact on workplace industrial relations); 2 (medium level of trade union organisation as indicated by the recognition of one general trade union but that union only having, at most, a minor impact on workplace industrial relations) and 3 (high level of trade union organisation as indicated by the recognition of a number of trade unions, including other than general unions, the use of closed shop agreements and unions having a considerable or major impact on workplace industrial relations).

Variable 4: Role of trade unions and other employee representative bodies in management-employee communications: This variable assesses the trend in patterns of utilisation of trade unions and employee representative bodies as a conduit for management-employee communications. It was constructed on the basis of information on trends in the utilisation of trade unions/employee representative bodies scaled 1-3 (low-high) as follows: 1 (low: no utilisation of trade unions/employee representative bodies as conduit for management-employee communications); 2 (medium: decreasing/stable trend in use of trade unions/other employee representative bodies) and 3 (high: increasing trend in use of trade unions/other employee representative bodies in communications).