



EWCs in the new Member States

Case study: Unilever

Company profile
Industrial relations, interest representation and corporate culture
EWC experience and practice
Conclusions and outlook

This case study is available in electronic format only.

This case study is based on interviews carried out in the first half of 2006¹ in Germany, Slovakia (also covering the Czech Republic) and Poland with Unilever EWC members and management representatives (responsible for HR). In addition, an interview with a representative of the Unilever EWC Secretariat was carried out.

Company profile

General information about the company

Unilever was formally created in 1930 with the merger of British soapmakers 'Lever Brothers' and Dutch margarine producers 'Margarine Unie'. Today, this Anglo-Dutch company owns many of the world's best-known consumer brands in food, beverages, cleaning and personal care products.

Unilever has two parent companies: Unilever NV in the Netherlands (with headquarters in Rotterdam) and Unilever Plc in the UK (with headquarters in London). Both Unilever companies have the same director and operate as a single business. The US division retained the name of Lever Brothers until the 1990s, when it adopted the parent company's name and moved to new headquarters in New Jersey (vacating the famous skyscraper on Park Avenue in New York). The German division of Unilever has its headquarters in Hamburg.

After many acquisitions in the USA and other markets, Unilever today is a fully multinational company, with operating companies and factories on every continent and with research laboratories in the UK, Netherlands, USA, India and China. Its major competitors include global companies like Procter & Gamble and Nestlé.

In 2000, Unilever employed 295,000 people worldwide. But since that time, large reductions have been made in the workforce, mainly in Europe. Between 2001 and 2005, the European workforce was reduced from 71,000 to 49,000, with Germany having the largest number of employees (8,000). At the end of 2005, Unilever employed 206,000 people worldwide: more than half these employees work in Asia and Africa, while the number of European (49,000) and North American (47,000) employees is quite similar.

This reduction in employment was the result of a major restructuring programme carried out by Unilever between 2000 and 2006. Called the 'Path to Growth', the aim was to make the company more profitable and effective (with targets of 16% rate of return and 6% growth per year), mainly by drastically reducing the number of product brands from 1,600 to 400.

Unilever in Poland and the Czech Republic/Slovakia

While the number of employees in Western Europe was reduced significantly during recent years, the number of employees in the New Member States (NMS) increased slightly but with significant regional variations. In May 2006, the employment figures in Unilever companies were as follows:

- in Poland, more than 3,000 employees (a strong increase compared to 2004);
- in the Czech and Slovak Republics, 1,277 employees (a significant decrease compared to 2004, when there were more than 1,600 people employed);
- in Hungary, 1,160 employees (as with Poland, a strong increase compared to 2004).

¹ The report is based on EWC information as of March/April 2006 and does not reflect changes which took place shortly afterwards in the context of the formation of a new EWC, including the delegation/election of new representatives from the new Member States.

Unilever's activities in Poland and the Czech Republic/Slovakia date back to the beginning of the 1990s. Its operations were rather diverse and fragmented into different sectors, companies and structures.

In Poland, in 1991 Unilever bought a former state-owned company producing cleaning agent in Bydgoszcz; today, it produces personal hygiene products. In 1992, Unilever bought a company producing margarine in Katowice and two others in Poznan (food) and Banino (ice cream). Unilever also invested in new activities in these brownfield investments (e.g. a new production site for tea in Katowice).

In the Czech Republic and Slovakia, Unilever also started to invest in production sites at the beginning of the 1990s. Until the end of 2005, the main production locations were in Nelahozeves near Prague and in Zabreh producing margarine, mayonnaise and tartar sauce (Prague) and dehydrated stock as well as mayonnaise (Zabreh). In Slovakia, there was a factory producing mayonnaise and tartar sauce in Topolcany. However, by the end of 2005, the Slovak production activities (only 29 employees) and the factory in Zabreh (350 employees) were closed and some production moved to the Nelahozeves factory and to Poland.

This restructuring has resulted in only one food production facility in the so-called 'cluster' of the Czech/Slovak Republics (there is a joint board structure with headquarters in Prague) – in Nelahozeves, with about 600 employees. The history of this factory goes back to the 1930s, when it started to produce mayonnaise and soups. The factory was bought by Unilever in 1992 and today it is regarded as one of the European 'strategic points' for the production of margarines and mayonnaise.

In Poland, Unilever is engaged in both food and hygiene products, with four production sites in Bydgoszcz, Katowice, Poznan and Banino. Between them, these plants produce soap, toothpaste, shampoo, deodorant, cleaning agents (e.g. Dove, Timotei, Rexona, Signal and Domestos), margarine, soups, tea, dressing, ketchup (Rama, Flora, Knorr and Lipton) and ice cream (Langnese-Algida). The Katowice plant in Silesia was bought by Unilever in 1991 and produces margarine and now, after a new investment, tea. It is the third largest margarine factory in Europe. Brands such as Lipton and Flora are sold in Poland and also exported to Western Europe and to Scandinavia. In western Poland, the Poznan plant produces savoury products, with brands such as Knorr and Hellman's, which are also exported to the main markets of Western Europe. The third site, in the north-west of Poland at Bydgoszcz, produces personal care brands such as Sunsilk and Dove, exporting 80% of its production. The fourth site, at Banino, near Gdansk, is one of the most profitable Unilever's ice cream factories in Europe, producing products for the Polish and Western European markets.

Industrial relations, interest representation and corporate culture

Poland

After Unilever started to invest in Poland in 1991, industrial relations and interest representation developed unequally. Today, the industrial relations landscape at Unilever is very diverse and pluralistic, reflecting the main features of the Polish labour relations system (see Table 1 for summary). The situation in the four main Unilever production sites in Poland is as follows:

- At Bydgoszcz (personal hygiene products), a NSZZ Solidarność trade union committee was established in 1989. There was also an OPZZ company organisation, which was closed in 1991. Today, interest representation is organised solely by NSZZ Solidarność. One of the two Polish EWC members comes from this trade union and the chairman of the trade union committee (a founding member of the 1989 committee) has been a full-time employee representative since 2005.
- At Poznan (food products), both NSZZ Solidarność and OPZZ represent employee interests and are engaged in collective bargaining at company level.

- At Katowice (margarine and tea production), OPZZ is the strongest trade union organisation (also represented in the Unilever EWC by its chairperson). But NSZZ Solidarność and a third trade union organisation (independent and purely company-based) also operate at the Katowice site.
- At Banino (ice cream production), the only Unilever greenfield investment site in Poland, there is no trade union at all. (Attempts were made to establish a trade union, but they failed mainly due to a lack of interest on the part of the employees.) However, there is a contact person at the Banino site who is at least ‘informally’ accepted as a kind of employee representative and who takes part in activities of interest representation in the Unilever Poland group.

With this diverse situation, it was difficult to establish a joint platform of interest representation and collective bargaining at Unilever Poland and to develop some kind of coordination. The first attempt to establish a group-wide trade union organisation and coordination structure was made in 2000, but this was openly obstructed by the Polish management. However, thanks to an intervention by the Unilever EWC (see below), it was possible to conclude an agreement and for some years now there have been regular meetings (twice per year) of contact people from all production sites (including the union-free Banino).

Corporate culture has also developed slowly towards cooperation and stronger dialogue. Today, relations between management and employees are described as effective and trustful by representatives of both parties. However, from the point of view of the employee representatives, there is little room for manoeuvre regarding an improvement in labour and wage conditions (e.g. growth in wage levels at the very effective and profitable Bydgoszcz site). But a ‘small step-by-step’ approach has gained some positive results over the years (e.g. the introduction of a company-based supplementary pension scheme).

Czech Republic and Slovakia

As in Poland, the situation in the Czech Republic and Slovakia is also rather diverse and fragmented with regard to trade union organisation structures (see Table 1 for summary). While in the Czech Republic two different trade union organisations represented the interests of employees at the Nelahozeves and Zabreh sites until the end of 2005, the production site in Slovakia (a greenfield investment) had only a works council (no trade union). The administrative office in Bratislava has neither a union nor a works council.

While overall trade union membership in the Czech Republic is rather low (about 10%), it should be noted that in the context of the restructuring during recent years, in particular at the Nelahozeves plant near Prague, trade union membership increased strongly in 2005 and the number of trade union members actually doubled (from 50 to 100, out of 700 employees).

Collective bargaining in the Czech Republic is carried out centrally between management and the trade union organisation. There is one collective agreement for the entire Czech Unilever company, which is also used by Slovak colleagues as a model for their own agreements and wage/labour conditions.

From the point of view of both management and employee representatives, management cultures and negotiations at Unilever in the Czech Republic and Slovakia can be regarded as good practice compared to the situation in both countries and the legal minimum standards for information and consultation. Dialogue takes place on a regular basis, with meetings between management and employee representatives from all Unilever plant sites.

Employees interest organisations were also directly involved in social plan agreements in the context of restructuring during 2003–2005 (see below).

Table 1: *Profile of Unilever industrial relations in Poland and Czech Republic/Slovakia*

Features	Poland	Czech Republic/Slovakia
Investment type	Brownfield investment both in food processing and chemical products	Brownfield and one greenfield (closed by end of 2005), all food processing
Number and size of workplaces	Four production sites, administration and R&D activities	Today only one production site in the Czech Republic and administrative centres in Prague and Bratislava
Number of employees	3,130	1,270 in both countries (CZ+SK)
Profile of workforce	Approx. 50% in production, between 20-30% with academic degree	Approx. 500 in production and the rest in administration, marketing and sales
Type of interest organisation	Trade unions	Trade union/works council (SK until end of 2005)
Trade union structure	Very diverse – depending on production site, 0-3 trade union organisations	One trade union in CZ No trade union structure in SK Until end of 2005, two trade unions in CZ and a works council in SK
Union membership and coverage	Only production sites, with one exception, are covered by trade union organisations. Coverage rate approx. 10-20%	Approx. 10% Significant growth in CZ
Board-level representation	No	No
Coordination of collective bargaining	Started only recently	Yes (CZ agreement as a model for SK)

Source: *Authors*

EWC experience and practice

EWC profile

The Unilever EWC was established in 1996 and is based on Dutch law. The headquarters and EWC Secretariat is based in Rotterdam. The Unilever EWC agreement was based on the idea of establishing a European-wide institution of dialogue and consultation between employee interest representations from 19 countries and the European Unilever management (Europe Committee). The EWC agreement was renegotiated for the first time in 2001, following the merger with Bestfoods and the need to integrate the Bestfoods EWC.

There is one plenary session of all 35 national EWC delegates in Rotterdam each year (see Table 2). EWC business is run by the Employee Coordination Committee, which consists of 8 members (German chairman, Dutch secretary, British minute-taker, and representatives from Spain, Sweden, Italy, France and one CEE country).

Set against a background of growing diversity, internal company competition, relocation of production sites and European-wide restructuring, the Unilever EWC has developed rapidly from the late 1990s onwards. It has changed from a purely information forum to a proactive and strategic instrument of European employee interest representation and a platform of consultation and negotiation on transnational issues with representatives of the European Unilever management. Major examples of this practice so far have been:

- Organisation of a European Day of Action in 1999, demanding alternatives to the closure or selling of Unilever companies, more investments in innovations and growth, and social responsible concepts of restructuring.
- Various actions in the context of the Unilever ‘Path to Growth’ plan 2000–2006 (including a reduction of product brands from 1,600 to only 400, with a concomitant reduction of 25,000 jobs).

- Joint paper in 2001 on ‘Social responsible restructuring in Europe’, which serves as a blueprint today in nearly all cases of closures and reduction of groups of employees.
- Publication of Handbook with practical information on social plans in Europe.
- Paper on ‘6-points on information and consultation’.

These initiatives were accompanied by training seminars in Brussels (1999, 2001 and 2004) and a database/handbook on Unilever structures in Europe. At the time of writing, there are plans to improve internal communication between EWC members and to organise a more effective exchange of knowledge and information through a joint intranet platform.

In addition, the Unilever EWC has successfully developed joint concepts and negotiated agreements with the European management, including a share option programme for all employees in Europe in 2001.

Based on an active practice and intensive cooperation between members of the EWC Secretariat and Steering group, the Unilever EWC is today the most important instrument and channel for the articulation of employee demands throughout Europe in nearly all crucial issues and cases. In 2006, for example, the EWC was the main dialogue/negotiation partner for the European management on issues like the restructuring/relocation of the Unilever Shared Services Centre, the future of the Unilever frozen food division and a reorganisation plan for supply chains.

In the context of ongoing restructuring, a ‘Unilever European Info Day’ was organised at the end of 2005 in Hamburg. As a result, a joint meeting of the Employee Coordination Committee and European management took place on 15-16 December 2005 and a detailed agreement/business plan was negotiated and agreed on the reorganisation of the ‘Shared Services’ department. For the first time, ‘real’ European negotiations took place and a concrete result was agreed.

Table 2: *Key features of Unilever EWC*

Features	Unilever EWC
Initial EWC agreement	1996
Further agreements	2001 (integration of Bestfoods EWC) 2005/2006 (enlargement)
National law/headquarters	Dutch law, Rotterdam HQ
EWC type	Employee only
Total EWC members/countries	35 representatives from 19 countries
New Member States	4 (PL, CZ, SK and HU)
Steering group/countries	7 members from DE, NL, UK, SE, IT, ES and FR, plus one rotating member from CEE
Annual meetings	1
Consultation and negotiation role	Joint statement on personal data protection Joint agreement on social responsible restructuring (2001) Share option programme for all Unilever employees in Europe (2001) Agreement on a business plan for the reorganisation of ‘Shared Services’ (December 2005)

Source: *Authors*

Operational issues and resources

Points of departure

Against the background of a diverse and fragmented situation of employee interest representation in the NMS, enlargement of the Unilever EWC was not an easy task either for the actors at EWC headquarters or in the respective countries. There were several reasons for this:

- coordinating the diverse and pluralistic company structures in each new Member States (Poland: 6 production sites plus administration centre; Czech Republic: 2 production sites and administration centre; Slovakia: 1 production site and administration centre);
- accommodating the interests of competing trade union organisations and resolving several ‘blind spots’, e.g. company sites without any trade union organisation;
- integrating countries with only small Unilever workforces into the EWC structure by appointing ‘regional delegates’ (e.g. the Polish delegation should also represent the Baltic States and there should be a joint delegate for the Czech and Slovak Republics).

There are two important determining general factors in the context of EWC enlargement that should be mentioned here. Firstly, EWC enlargement was not built on already existing contacts between trade unions in the EU15 and the then acceding countries; it started only in 2001 with observer status. Secondly, both central and national management were actively involved in the process of selecting, nominating and delegating representatives from the NMS and it should also be noted that the search for practicable solutions and results in the context of enlarging the Unilever EWC was supported and facilitated by the Unilever management.

Nomination and delegation process

As mentioned above, the nomination process of EWC members from the NMS was carried out with active involvement of the Unilever management, i.e. the European HR headquarters in Rotterdam. After an agreement on EWC enlargement was concluded between the EWC and the European Unilever headquarters, a senior HR manager in Poland was entrusted in 2003 as a ‘Nomination Commissioner’ for the acceding countries of Poland, Czech Republic, Hungary, Slovakia and the three Baltic States (see Table 3). This manager was selected because he was familiar with the situation of trade unions and interest representation, not only in Poland but also in other Central and Eastern European countries.

As stated by both management and employee representatives interviewed, the ‘Nomination Commissioner’ carried out his difficult tasks effectively and with successful results. The selection and nomination process resulted in very specific national solutions in terms of the selection and nomination process, as well as the profiles of the new delegates. Based on joint meetings and consultation with all national HR managers and all existing employee interest representation organisations, the process was discussed and within three months delegates were nominated. The outcome is described below.

In Poland, the first EWC delegates were selected by the national management in 2001 (each branch plant/site management delegated one candidate and then one representative was selected by the central Polish management). This procedure was vehemently opposed by the trade unions because they were not involved in the process of selecting and nominating candidates. Therefore, and in the context of the ‘Nomination Commissioner’ process of 2003, more democratic elections were held in 2004 throughout Unilever sites in Poland. The result was that the election of two senior members/presidents of the plant committees of the two main trade unions as the new EWC members (Poland has 2 EWC members due to the size of its workforce). Despite a mandatory term of four years, the next EWC membership election in Poland will take place in 2007 because the election rules have been changed recently.

The nomination of delegates from the Czech Republic and Slovakia was complicated not only because of the rather weak trade union organisation and low coverage rate of employees in both countries (no trade unions in Unilever sites in Slovakia), but also against the background of traditional rivalries between the two countries. Finally, and as a kind of working compromise, an independent delegate (i.e. not affiliated to a trade union) was nominated. This person came from the Bratislava Unilever administrative centre and was selected in an election process with two competing candidates.

It should be noted that the EWC headquarters did not interfere in this process of selection, nomination and delegation of representatives from the NMS. The process was very much carried out and based on the commitment of management and organised strictly as a 'top-down' process, with the aim of selecting the most suitable candidates with minimum conflict and tensions.

This process of selecting and nominating suitable candidates served the interests and motives of both the EWC headquarters and management. While the EWC Secretariat was interested in selecting the most representative delegates, management was also aiming at the identification of employee representatives – not only with a view on EWC representation, but also in the context of consultation and dialogue on restructuring and adjustment measures. Therefore, the process of EWC enlargement could be interpreted as a process of establishing and strengthening plant-based employee representation in a very fragmented situation.

Profile of EWC delegates

EWC representation started in 2001 on the basis of observer status. During the last five years, the profile of EWC members from Poland and the Czech and Slovak Republics has changed significantly.

The first representatives from Poland were nominated by management without consultation with the trade unions and not based on any democratic election and/or selection process (see above). With opposition coming from the trade union organisations in Poland on the eve of EU enlargement, a comprehensive and detailed election/selection process was initiated. This resulted in the election of two leaders of trade union plant organisations, both with a strong organisational basis, to represent the Polish Unilever employees as their new EWC delegates. Both men have been involved in EWC business since 2004 and are experienced trade union officials (one founded the first NSZZ Solidarność plant organisation at Unilever Poland, while the other is a trade unionist since the mid-1980s and a member of the national board of OPZZ).

In contrast to Poland, the Czech Republic and Slovakia were represented in the EWC during 2001–2003 by a delegate who was a trade union official from the Czech Republic. This situation changed when the local management organised an election-based selection process in 2003. Today, both countries are represented by an employee of the public relations department, whose competence and technical skills (English language, knowledge in legal issues etc) should be regarded as the most important driving factors for her election.

Despite not being affiliated to a trade union, she regards regular coordination and contacts with trade unions and other employee representatives as very important for the job of EWC member and for effective EWC involvement. It is unlikely that she will continue as the EWC member for both countries since, with the new elections in 2006 and against the restructuring of Unilever in the Czech Republic and Slovakia, it is more likely that a colleague from the Czech Republic will represent the Czech-Slovak Unilever 'cluster' in the future.

Table 3: *Key features of involvement of NMS in Unilever EWC*

Features	Unilever EWC
Start of EWC participation	2001
Building on previous contacts	No
Status	Observer status (2001-2004)
Number and share of NMS members	4 (2 PL, 1 CZ/SK and 1HU), representing 11%
Involvement in EWC enlargement	Senior HR manager from Poland acted as 'Nomination Commissioner' (2003)
Representation in steering/control functions	Yes (rotation principle); in the future, Poland will have a permanent representative in the steering group
Delegation procedure	Nomination (PL) Election (CZ/SK)
Profile of EWC members	Trade union (PL) Independent (CZ/SK)
Information on EWC	Joint meetings

Source: *Authors*

General conditions of EWC participation

Against the background of a positive policy on the EWC by the Unilever management, the situation and general conditions for EWC involvement and participation are generally quite good. For example, in Poland there is sufficient technical equipment and coverage of travel costs is regarded as sufficient. The Polish EWC members have got their own budget for EWC involvement and costs also include translation work and language training.

The EWC member from Bratislava did not report any problems or shortcomings with regard to infrastructure, budget or cost coverage for her EWC participation. In general, the situation was described by employee representatives as positive, with no problems on cost coverage of necessary and justifiable expenditure.

With regard to time-off regulations, it has already been noted that one of the Polish EWC members is a full-time trade union official, which should be regarded as a good basis for EWC involvement. In contrast to this, the other Polish EWC member is only a 'part-time European representative' and she reported on having too little time for analysing and evaluating information, and for the coordination and communication work resulting from her duty as an EWC member.

Influencing EWC policy

The Unilever EWC has tried to actively involve the new members in its operational practice, for example, by introducing participation on a rotating basis in the steering group (Unilever EWC Employee Coordination Committee). However, against the background of the overall EWC diversity (representatives from 19 countries speaking 14 different languages) and the comparatively small employment basis of the NMS, the potential to influence EWC policy depends on the individual efforts and work of delegates. In this context, it should be noted that the representative for the Czech Republic and Slovakia has been actively involved since 2003 in discussions and consultation of social plan announcements in the context of restructuring in the Czech Republic and Slovakia.

However, compared to other EWC cases, the Unilever EWC is relatively young and still in a learning phase. The involvement of the new EWC members has only just started and there is still a need to establish a relationship based on trust between the old and the new members.

Competence-building and training

In Poland, Unilever management supports language learning and development, not only for the two EWC members but also for other employees involved in EWC practice (representatives of other Unilever undertakings as potential EWC members). There are no direct needs for this in the Czech Republic at the moment.

In addition, the EWC headquarters and Secretariat in Rotterdam is actively supporting competence development and skills of new EWC members (although no special activities for new members from Central and Eastern Europe were reported), mainly by joint training seminars (1999, 2001 and 2004 in Brussels), a handbook on Unilever structures and activities in Europe and so-called Topical Days ('Thementage') when important issues are discussed (e.g. the 2006 joint seminar on restructuring at Unilever).

Communication and coordination of EWC practice

In Poland, EWC involvement has clearly contributed to group-wide communication and information. Initiated by EWC participation, a regular exchange of information and communication has started between all Unilever sites in Poland and meetings are supported financially by the local management. There are meetings at least twice a year of all employee representatives with the two EWC members. This is an important development since back in 2000 the Polish management successfully opposed the attempt to establish a group-wide coordination of trade unions at Unilever Poland.

Similarly in the Czech Republic and Slovakia, EWC involvement has contributed positively to the exchange of information and regular communication and coordination of employee interest representatives at different branches and plants of Unilever.

Problems and barriers

While no major problems and barriers were reported by the interviewees in the Czech Republic and Slovakia, the EWC members in Poland pointed out problems with the information policy of Unilever's central management. The information provided is regarded as too general and too late to influence decisions ('too much information, too general and with little relevance from the national/local point of view'). Also, the Polish EWC members have the impression that Unilever management is not really interested in consultation processes, or at least would like to control them to a large extent.

The main barriers to a more effective EWC practice are regarded as the timing of information, no real consultation and issues of national relevance being explicitly excluded from the EWC scope of action. However, it should be noted that in the case of the last barrier mentioned, HR country managers are taking part in EWC meetings and country reports and questions concerning country-specific developments are part of the agenda of EWC plenary sessions.

From the point of view of the Polish EWC members, the limited competence of the EWC also has a negative impact on the interests of local employees at shop-floor level in EWC and European issues. As their interview report stated:

'Employees have difficulties to understand the nature of the EWC. The main reasons for this are a lack of experience with such institutions, but also because in EWC meetings only issues of cross-border and group-wide developments are discussed, not questions like wage levels in Poland. But this is expected by most employees.'

Clearly from their point of view as trade unionists, the Polish EWC members also stressed that communication and coordination of trade union positions and interest representation institutions both in Poland and at European level are still rather weak and should be strengthened in the future. They regard this as an important precondition for greater solidarity across borders and the development of joint strategic orientations.

Impact on industrial relations and corporate culture

Industrial relations and interest representation

The Unilever case clearly illustrates that EWC participation has had a strong impact both on the overall situation of interest representation and employee participation in company policy.

In Poland, interventions by the EWC headquarters had a direct impact on the establishment of a group-wide coordination of interest representation and an intensified coordination and exchange of the different trade union organisations and employee representatives from Unilever sites. This joint structure had actually been obstructed previously by the national management. EWC involvement in other fields of action had a positive impact on the situation of interest representation and the position of trade unions against local management.

Despite rather slow movement, the dialogue concerning further improvement of financial and social conditions of work and labour has intensified and the first positive results have been achieved (supplementary pension scheme).

However, the Polish EWC representatives stress the importance of a close connection and relationship between EWC representation and trade union organisations. A solid embedding of EWC participation in trade union structures and organisations seems to be crucial. As stated in their interview report:

‘The trade union background is important. Without a trade union basis, EWC representation lacks legitimacy and is rather weak. It is also important that the EWC delegates behave in a responsible way and regularly inform the employees.’

The situation in the Czech Republic and Slovakia is quite different to that in Poland. But even in these two countries, which are represented by an ‘independent’, non-trade union delegate, EWC participation has had an impact on organised interest representation and on dialogue between employee interest representation. In the opinion of the EWC delegate from Slovakia (where no trade union organisation exists at Unilever sites), EWC involvement has had a positive impact on labour relations, for example, in finding joint solutions in the case of restructuring (in fact, the delegate was very actively involved in the negotiations of a social plan), in collective bargaining processes and in communication between employees and between employees and management. From her point of view, EWC policy, and in particular joint statements (e.g. on restructuring) or cases of good practice in other countries, is reinforcing the position of employee interest representation. However, it remains to be seen whether or not this impact will be sustainable and contribute to the establishment of more institutionalised structures of interest representation, either by trade unions or works councils, in the Czech Republic and Slovakia.

Corporate culture and management practice

EWC involvement has obviously strengthened the position of organised employees against management, which is now much more open-minded with regard to social dialogue with trade unions, organised interest representation and dialogue-orientated management styles (regular and institutionalised information and consultation).

The positive impact of EWC involvement – most notably the regular direct meetings and discussions with top-level management representatives at the Unilever headquarters in Rotterdam – has improved the position in Poland significantly. As the Polish EWC representatives state in their interview report:

‘Another culture has been established. There is more dialogue culture now. The fact that the headquarters is in Rotterdam and plenary meetings of the EWC are organised there has had some influence. Although there is only little direct influence of the EWC on the decisions of the management and the position of the EWC in the dialogue

is still rather weak, there is the feeling that your voice is heard much more now. Today, there are more meetings with the management and employee initiatives are taken into account more seriously.'

Similarly in the Czech Republic and Slovakia (where corporate culture is directly influenced by Prague), EWC involvement and the concept of social dialogue has been strengthened in recent years, particularly in the context of the major restructuring processes that took place between 2003 and 2005 (e.g. the closing down of the production site in Slovakia and one production site in the Czech Republic). The 2001 joint statement on 'Social responsible restructuring in Europe' positively influenced consultations on a social plan, employee outplacement and re-employment schemes in both countries.

Conclusions and outlook

Involvement of the NMS in the Unilever EWC is still very much a process in flux, where both old and new members are still learning and establishing trust-based relationships. At the time of writing, the renegotiated EWC agreement will contain adjustments concerning the integration of the NMS, such as the permanent participation of Poland in the Employee Coordination Committee/steering group. However, despite the rather brief experience of EWC practice in the NMS, the impact of EWC involvement has already achieved significant results both with regard to the impact on industrial relations and corporate cultures, as well as on consultation and employee involvement in restructuring processes.

In light of the proactive strategy of the Unilever EWC, one important conclusion of this case study is that there is a direct correlation between EWC type and its role with regard to consultation and negotiation, and its impact on the social partners, labour relations and corporate cultures. It clearly makes a difference whether or not an EWC policy is proactive and involvement-orientated.

Eckhard Voss, Wilke, Maack und Partner, Hamburg and **Karolina Stegemann**, University of Lüneburg