The relationships between employee representation, union presence, and employer strategies within different industrial relations systems offer a complex and changing landscape in the current context of globalization. Key questions concern the institutional latitude afforded employers vis-à-vis union representation and the extent to which multinational firms may act as both drivers of and respondents to change in different institutional contexts. Much of this institutional latitude is theorized as context-dependent; liberal market or Anglo-American systems, for instance, offer a distinct series of institutional considerations from those found in some European regions, particularly those of coordinated market economies, for instance. Further, the notion of contextual variation plays a considerable role in driving representation regimes and strategies even within apparently similar systems. The different models for union representation in North America and Europe exemplify such within-system variation. For instance, the Wagner model in the US and Canada erects considerable barriers to union representation by excluding any form of representation that has not secured majority employee support, whereas Ireland and the UK both tended historically to favour voluntary union recognition arrangements (though there has been a considerable effort to formalize this process in both countries in recent years).

There is considerable debate regarding the extent to which multinational companies (MNCs) seek to carry into their subsidiary operations a particular set of attitudes, approaches, and behaviors derived from and founded within their home country. There is some evidence that this practice may well be occurring amongst MNCs (cf. Harzing 1999; Harzing et al. 2003; Ferner et al. 1998). For instance, research indicates that firms emanating from the
United States aspire to implement business policies and practices in their subsidiary operations that are consistent with those found in the U.S. system, rather than necessarily amending their home-country behaviours to conform to the host context (cf. Jacoby 1991, 1999; Ferner 1997; Wheeler et al. 1998). This strategy may be identifiable in the industrial relations practices of MNCs, wherein there is evidence to suggest that MNCs emanating from traditionally anti-union environments will continue to maintain a negative approach towards unions, regardless of the industrial relations system in which their subsidiary operations are found (Almond et al. 2005; Ferner 1997, 1999; Gunnigle et al. 2005). This concept may be particularly pertinent in terms of union recognition efforts, wherein it follows that firms from typically anti-union home environments may be less open to attempts at recognition than companies from more union-friendly home contexts.

However, other research suggests that the situation may be more complex (cf. Meardi et al. 2009). This research theorizes that MNCs may not exclusively attempt to carry their home country IR practices into the host environment; in fact, it may be the case that MNCs operate within host environments partly in an effort to escape certain elements found within their home IR landscape, rather than actively seeking to import theses home country behaviours (Meardi et al. 2009; Bluhm 2007; Dorrenbacher et al. 2002). This work highlights the notion of ‘institutional distance’, wherein MNCs from similar institutional structures (i.e., those operating within the Anglo-American system) may more easily be able to transfer their home practices into the host environment than those operating within other structures, such as continental or Nordic European IR systems (Meardi et al. 2009). It further underscores the potentially complex interplay between divergent institutional structures in host and home countries that in turn impact on both levels of institutional permissiveness between host environments and on the extent of institutional difference between host and home environments.
This paper’s key research question relates to the notion that, although MNCs may to some degree seek to carry their home-country behaviours into the host environment, divergent institutional structures in each country may well shape and mediate these efforts as they relate to union recognition and double-breasting (that is, a firm’s simultaneous operation of union and non-union facilities), even within seemingly similar institutional contexts. In particular, we argue that the level of permissiveness of the system acts as a key force in shaping the extent to which MNCs are successful in their goals regarding union recognition. We maintain that a key determinant of union recognition and double-breasting, in addition to other factors, is the country from which the MNC originates. Our contribution to the literature is unique in that we are able to empirically compare, using quantitative techniques, common survey data both within and across three liberal market economies (Canada, Ireland, and the United Kingdom), all of which share a number of similarities but also diverge in key ways in terms of their industrial relations systems. This cross-institutional comparison allows us to test our research questions in a novel and methodologically sound way. Further, the robustness of the data and the empirical nature of the study also help separate our work from other research in this area. We will begin with an overview of the literature and theory in which this paper can contribute, and will subsequently turn to a discussion of the contextual considerations, our hypotheses, the data we employ to test these hypotheses, our empirical results, and finally the conclusions we are able to draw from our analysis.

**Varieties of Capitalism Literature**

There has been a great deal of scholarly research into the transference of home country business practices by MNCs into host environments. Much of this literature can be traced to the notions that the national business system in which the MNC operates and from where it emanates plays a significant role in shaping its behaviours within its subsidiary operations; further, evidence suggests that institutional structures mediate the pressures for
conformance to a single business system or approach (Harzing 1999; Harzing et al. 2003; Ferner 1998; Maurice et al. 1986; Esping-Andersen 1990; Whitley 1992, 1999; Rubery 1994; Hall and Soskice 2001; Almond et al. 2005). Work related to “varieties of capitalism” and its component theories form one foundational point for this paper. This literature suggests that there are fundamental differences between the structures and institutions constituting liberal market economies (LMEs) and those enveloping coordinated market economies (CMEs), therefore rejecting the notion that the world’s political economy is converging into a single (neo-liberal) system; firms must operate within these broadly divergent institutional structures, rather than conforming to a single global approach (Hall and Soskice 2001; Hancke 2009).

The national business system from which the MNC originates is seen to interweave with these institutional structures. One the one hand, firms may seek to carry a particular series of attitudes and behaviours into their global operations; these approaches are often congruent with those found in their country of origin (Harzing 1999, Harzing & Sorge, 2003; Ferner 1998; Maurice, Sellier, and Sylvestre 1986; Esping-Andersen 1990; Whitley 1992, 1999; Rubery 1994; Hall and Soskice 2001; Almond et al. 2005). On the other hand, firms may in fact choose to operate within host environments in order to escape particular structures found within their home countries; for instance, some German MNCs may choose to operate in environments wherein they are not subjected to co-determination and works councils (Meardi et al. 2009; Bluhm 2001; Dorrenbacher 2002). Further, the divergence of institutional structures within these host environments plays a considerable role in shaping the relative levels of success the MNC enjoys in incorporating its business practices into the host environment (Almond et al. 2005).

The industrial relations literature generally complements the fundamental argument presented within the varieties of capitalism literature. That is, a general consensus has
emerged within the IR literature that suggests a lack of convergence toward a single system. This stands in contrast to earlier work on the subject, particularly that of Kerr et al. (1960), which argued that industrial relations would converge toward a system of pluralism, regulated by collective bargaining structures and group identification. Subsequent studies (Armstrong et al. 1981; Kelly 1998) challenged the assumptions related to the theory of IR system convergence. Though there was a brief revival of interest in convergence as it related to the potential for U.S. model dominance (cf. Dore et al. 1999), the literature has generally accepted, either implicitly or explicitly, that institutional variations remain paramount when studying comparative industrial relations (Kelly et al. 2007; Visser 1992; Watson 1997; Hyman 2001; Crouch 1993; Regini 1984). There has been, however, considerable debate regarding the extent to which patterns of convergence may be emerging within these divergent institutional structures (Katz and Derbishire 2000; Lansbury et al. 2003).

The response by the industrial relations literature to the arguments promulgated by “varieties of capitalism” scholars has been largely supportive of the concept. This relates most obviously to the notion that much of the research into comparative IR recognizes the importance of institutional variation as a mediating force against common economic pressures driven largely by globalization (Lansbury et al. 2003). However, some within the IR community have challenged elements of the varieties of capitalism framework. Its theoretical basis is seen by some to underplay the role of industrial relations and class conflict as they relate to firms’ organizational strategies (Crouch 2005; Howell 2003, 2005; Kelly et al. 2007), and tends to devalue the role of the state in favour of a firm-centric approach (Crouch 2005; Howell 2005; Weiss 2003; Kelly et al. 2007; Pontusson 2005).

A further concern with the “varieties of capitalism” framework is its relatively rigid typology, wherein advanced industrial states (largely OCED nations) are grouped into only liberal market economies, coordinated market economies, and Mediterranean economies.
This classification fails to account for more nuanced difference between institutions that are grouped within the same category; a number of scholars have created their own typologies in response to these concerns (cf. Schmidt 2002; Boyer 2005). Kelly and Hamann (2007) use empirical data to demonstrate that the varieties of capitalism approach, although an extremely useful theoretical contribution, oversimplifies the LME-CME dichotomy in terms of industrial relations, and argue that Northern, Central, and Southern European IR systems should stand alongside LMEs as separate structural classifications.

A final consideration within both the “varieties of capitalism” work and many of its responses, particularly those related to industrial relations, is the substantial focus on qualitative data and research methods. This same methodological structure has also been used in much of the literature on MNCs and home/host country interactions. Although the use of qualitative data is perfectly acceptable, there remains something of a paucity, at least in the industrial relations literature, of quantitative, comparative research related to the subject.

Our work serves to address several of these concerns and considerations. First, we compare three countries (Canada, Ireland, and the UK), each of which offers considerable similarities, to the point that they can be classified together as LMEs under the “varieties of capitalism” definition. However, we argue that the contextual differences between each country contribute to influencing MNCs’ abilities to incorporate their home country approaches to unions within the particular host environment. This provides for an analysis which delves more deeply into the nuanced divergences within LMEs, and allows for us to compare the effects of even relatively small structural differences between similar countries as mediating influences on MNC behaviour. Second, we are able to employ quantitative methods to answer our research questions; in doing so, we use survey data that are identical (or at least functionally equivalent) across all three countries. This allows for an “apples to
apples” comparison across each country, wherein we are able to compare the quantitative results both within and between the countries of interest, thus offering a unique contribution to the literature within this area.

**Literature on Economic Dominance Effects within MNCs**

Beyond the foundational “varieties of capitalism” literature, consideration must be given to the notion of economic dominance and its role in influencing MNC behavior in subsidiary operations. The international literature highlights the importance of economic dominance effects in facilitating the transfer of management practices from the home to the host country within multinationals (cf. Smith and Meiskins 1995). The concept of economic dominance is based on the premise that organizations emanating from economically successful nations can most easily and credibly transfer and implement specific business policies and practices in their foreign subsidiaries (Smith and Meiskins 1995; Edwards and Ferner 2002). This occurs because such “...dominant or hegemonic states are able to exert organizational, political and technological influences that invite dissemination and adoption around the global capitalist system” (Almond et al. 2005: 280). In essence, economic success in the home country and internationally gives that country’s management practices a strong level of global legitimacy which in turn provides its foreign subsidiaries with extensive capacity to implement home country practices abroad.

In the European Union (EU), the concept of economic dominance stimulated considerable debate during the 1990s, for two main reasons. First, the surge in U.S. FDI into the EU led to increased reflection on the potential impact of transferring U.S. business and management practices to the EU (Sparrow and Hiltrop 1994; Cooke and Noble 1998). Second, the apparent success of the U.S. economy during the 1990s, particularly in terms of job creation, and the comparatively poor performance of many EU countries in this sphere, engendered considerable deliberation on the respective merits of differing systems of
economic governance (Collings et al. 2008; Gunnigle et al. 2006). In particular, the EU’s espoused ‘social market’ approach, characterized by comparatively high levels of labor regulation, welfare provision and reliance on pluralist industrial relations traditions, seemed to suffer in contemporary comparison with the U.S. ‘free market’ approach. The latter approach, underpinned by the principle of ‘employment at will’ and characterized by lower levels of labor and labor market regulation, was argued to provide a greater spur for job creation (cf. Grubb and Wells 1993; Sadowski et al. 1995). U.S. MNCs have been at the forefront in promoting free market/low labor regulation approaches (cf. Dunning 1993). In fact, Crouch and Streeck (1997) point to the success of U.S. MNCs in garnering large levels of economic independence within particular socio-political environments, which allows them an opportunity to rather freely implement business practices without necessarily complying to institutional constraints or structures. They also argue that governments have increasingly acquiesced to the needs of MNCs given these organizations’ considerable power in driving economic development within nations; this consequence of globalization has led to a reduction in the control of government interests over economic affairs in many countries.

**Literature on Double-Breasting**

In addition to our broader study of union recognition, we look at one specific facet of the IR structure, known as double-breasting (see Gunnigle et al. 2009 for a contemporary review). The term ‘double-breasting’ originated within the construction industry in the United States. Early references to the term are found in Lipsky and Farber’s (1976: 401) analysis of strike activity in the construction industry, where the authors used the term to describe construction firms operating “in both unionized and non-unionized segments of the industry.” This early use of the term has continued within the literature throughout the years (cf. Doherty 1989; Ruben 1985; de Bernardo 1989; Finkel 1997; amongst others). The term was largely used in an attempt to capture the notion that unionized construction firms, in
order to reduce wages and other labor costs, and to gain greater flexibility, would engage in a strategic choice to open and operate a non-union plant while concurrently maintaining their unionized operations.

The use of the term has spread, both beyond the construction industry (Edwards and Swaim 1986) and into neighboring countries, such as Canada (Rose 1986). Authors generally assumed an association between double-breasting and cost-cutting managerial strategies, conforming to a shift in IR systems first identified in the mid-1980s (cf. Kochan et al. 1986). As a result of these assumptions, the North American literature has implicitly argued that double-breasting is a form of strategic choice by employers, contending that the practice has developed through what one might call ‘deliberate sequentiality.’ This refers to the idea that the unionized company was established first, and that cost and control interests led to the opening of secondary non-union sites (often in areas with less stringent employment regulation).

However, researchers from Europe’s Anglophone countries consider that double-breasting may not follow this pattern of ‘deliberate sequentiality’ (Beaumont 1985, 1987; Beaumont & Townley 1985; Beaumont and Harris 1992). Beaumont and Harris (1992: 268) view double-breasting as occurring where “a multi-establishment organization may simultaneously operate establishments on both a union and a non-union basis”. Key in this definition is the concept of ‘simultaneity,’ rather than ‘sequentiality.’ The Beaumont and Harris definition lacks a normative element; that is, the authors make no prescriptive judgment regarding the logic behind companies’ engaging in double-breasting. Under this broader definition, double-breasting might occur as part of a firm’s strategic choice to directly compete with the established unionized plant (mirroring the U.S. definition) or, crucially, for a number of other reasons unrelated to strategic choice. For instance, double-breasting may occur in certain instances due to distinctions in the type of work undertaken in
different plants/locations. In this paper, we define double-breasting using the Beaumont et al. concept of simultaneity.

Country-Specific Contexts

It is crucial to understand the nuanced differences between the three contexts under which our study occurs. These differences may help to explain the lack of conformity in MNC behaviour across each country, in that they have something of a mediating effect on MNCs’ efforts to implement their home country approaches into their subsidiary operations. The three countries of interest are Canada, Ireland, and the UK. We will discuss briefly the industrial relations context and system operating in each country.

Ireland. On achieving independence in 1922, Ireland inherited the British legislative framework and voluntarist IR traditions. While this held sway for some considerable time, the Irish IR system has now established a quite separate identity. At the macro level, the IR landscape has been dominated by a series national level accords (‘partnership agreements’) negotiated by the central trade union and employer confederations and Government. These afford organised labour considerable influence over economic and social policy. Unlike many EU countries though, Ireland has no legislatively underpinned system of employee involvement at workplace level.

Having reached a high of 62 per cent in 1980, trade union density has since declined and now stands at 33 per cent (Roche 2008). While the reasons are varied, one particular factor pertinent to this paper is changing employer postures towards trade unions. There is little doubt that employer resistance to union recognition has increased since the turn of eighties. Though certainly not confined to FDI sector, there is extensive evidence that union avoidance is especially prevalent among MNCs, particularly those that established operations since the early 1980s (Gunnigle, 1995; Gunnigle et al. 2002; Roche 2001). Furthermore,
Ireland’s extensive reliance on FDI has meant that the MNC sector exerts considerable influence on public policy.

In contrast to the UK and US, Ireland has no mandatory legal process through which trade unions can secure recognition from employers. This is partially traced to provisions in the Irish Constitution but also reflects a public policy stance which seeks to avoid mandatory union recognition provision because if it’s perceived negative impact on Ireland’s capacity to attract FDI. Traditionally, the absence of statutory provision with regard to union recognition was not a major concern as most medium and large employers recognised and concluded collective agreements with trade unions (Roche and Larragy, 1989). However, declining union density, increased employer opposition to the concession of union recognition (particularly among inward investing MNCs) and growing employer rejection of Labour Court recommendations on recognition led to an upsurge in union pressure for legislative provision. The union movement effectively concluded that industrial action or Irish Labour Court recommendations were no longer viable methods of gaining recognition in the face of hardened employer postures. Persistent union pressure to obtain legislation to address union recognition led to creation of a ‘high-level’ group comprising representatives of Government, unions, employers and IDA Ireland (Ireland’s main body from promoting inward FDI). This culminated in the passing of what became known as the ‘right to bargain’ legislation (2001/2004). Uniquely, this legislation does not provide for mandatory union recognition but rather allows unions to pursue cases against companies where no collective bargaining exists.

**United Kingdom.** Over the past quarter century, Britain’s voluntarist industrial relations system has been overlayed by a developing framework of individual employment rights and EU-originated innovations in collective representation concerning employee information and consultation. Whilst the principle of voluntarism continues to underpin employer decisions to recognise and collectively bargain with trade unions, legal changes under the 1979-97
Conservative governments tilted the balance of the legal immunities which enable trade unions to operate against them. As a consequence, their ability to organise, take industrial action and secure recognition from employers has been significantly constrained. The enactment of a statutory recognition procedure by the incoming Labour government in 1999 impinged on the principle of voluntarism, but its impact has been modest when set against that of the earlier Conservative legislation. Whilst the number of new recognition agreements has increased markedly since, the numbers of agreements involved and workers covered are not large (Gall, 2007). Moreover, fewer than 20% of these new recognition agreements have been concluded under the statutory procedure. The larger effect has been indirect: voluntary recognition being encouraged in circumstances where employers believe that the statutory procedure might otherwise be invoked.

Union density and union recognition have both declined since 1980. From a peak of 55% of the workforce in 1979, the Labour Force Survey shows that union density dropped steeply to 30% by 1997. It has since trended further down, although by much less: by 2006, union density was 28%. Union recognition exhibits a similar trend. The proportion of private sector workplaces with 25 or more employees recognising unions stood at 50% in 1980, declining to 24% by 1998 and 22% by 2004 (Blanchflower and Bryson, 2009). The marked shift in public policy that occurred after 1979, away from favouring collective bargaining as the preferred mode of regulating employment relations, and therefore union recognition, and towards management unilateralism has also affected employer preferences on union recognition. The proportion of new private sector workplaces recognising unions fell from around 50% for those established in the decade prior to 1980 to 16% in the decade prior to 2004 (Blanchflower and Bryson, 2009).

In larger, multi-site companies this decline has been accompanied by a growth in the practice of double-breasting. Employing the broader ‘simultaneity’ definition (see above), a
1985 survey of large, multi-site companies found that around one-third of the 89% which recognised unions for manual workers did not do so at all sites (Marginson et al., 1988). A subsequent 1992 survey of such companies across the private sector found that approaching one-half of the 69% which recognised trade unions for the largest workforce group, did so at some but not all of their sites. Moreover, of the 89 companies recognising unions which had opened new sites, more than a third had not recognised unions at them (Marginson et al., 1994). The practice is more pronounced in those sectors, such as manufacturing, with a tradition of union recognition and where, following the demise of industry-level collective bargaining during the 1980s and 90s, bargaining now tends to be at site level. In sectors such as commerce and banking, where collective bargaining is now generally at company (multi-site) level, new sites tend to be incorporated in these arrangements and union recognition extended.

The UK’s internationally open economy has been characterised by significant inwards and outwards flows of FDI over a sustained period. As such, it represents both a significant home base for MNCs as well as a major host environment. The proportion of economic activity, and employment, accounted for by MNCs has grown even further over recent years with, for example, the proportion of manufacturing employment accounted for by overseas-owned firms increasing from 19% in 2000 to 27% in 2005 (OECD, 2007). The policy of overseas-owned MNCs towards engaging with trade unions has also long commanded attention, with debates about the implications of American multinational’s non-union preference going back forty years (TUC, 1970). This preference continues to be evidenced in the comparatively high incidence of non-unionism amongst American MNC operations in Britain reported in a number of surveys (reviewed by Ferner et al., 2005), although a measure of pragmatism is also apparent in the acceptance of union recognition in some manufacturing operations (Almond and Ferner, 2006). The wider implication of variation in recognition
practice amongst MNCs from a given country of origin is that overseas-owned MNCs are
engaged in the practice of double-breasting. This is also the case for UK-owned
multinationals, where Marginson et al. (1994) found that UK-owned firms which were
multinational in scope were more likely to recognise unions at some sites but not at others,
than were large companies whose operations were confined to the UK.

*Canada*. In contrast to the voluntarist traditions of Ireland and the UK, Canadian industrial
relations are characterised by extensive legal regulation and a high degree of decentralisation
(Murray and Verge, 1999). Canada shares a common North American heritage in the Wagner
model (US legislation dating back to 1935). This entails a legal process to secure recognition
of a union as a monopoly bargaining agent on the basis of majority representation of a
designated group of workers. Such union agents then have exclusive bargaining rights,
conclude legally binding collective agreements that necessitate compulsory arbitration on
issues of interpretation during the life of the agreement and represent and receive dues from
all workers within the designated unit. Jurisdiction over employment and labour relations
issues in Canada is divided between ten provinces, three northern territories and a separate
federal government. Although linked by a common institutional heritage, this decentralisation
leads to varying approaches to union recognition, notably as regards the way majority status
is ascertained (card check or compulsory ballot or some combination thereof), the thresholds
for initiating a recognition procedure, the combination of different occupations within
certification units, the duration of recognition procedures, and whether there are provisions
for the compulsory arbitration of first contacts. This decentralisation also means that there is
no procedure for the extension of recognition between jurisdictions: if a firm opens a new site
in a neighbouring jurisdiction, there is no mechanism for linking the existing site and the new
site. Even within jurisdictions, this process is most often subject to a separate recognition
procedure, unless it is deemed to be simply the extension of an existing site.
The trend in union density over the last three decades is one of relative decline: from 35.7% in 1980 to 29.4% in 2008 (Statistics Canada and HRSDC, various years). Overall, there has been a weakening of the sway of collective bargaining in the private sector, including in industries where unions now have to contend with a strong non-union presence. Bargaining structures are typically decentralised - a single establishment involving a single employer and a single union being the most prevalent. Employers and unions may agree to conduct bargaining at some higher level, meaning that the effective bargaining unit could be made up of many certification units, but this is the exception rather than the norm. More typical is pattern bargaining where the union (or the employer) seeks to establish a pattern of settlements. However, from the 1980s onwards, there have been strong pressures towards the decentralisation of bargaining and the disarticulation of existing patterns as employers, despite union resistance, seek to tie the fortunes of particular sites to the markets that they serve rather than the overall evolution of their industry. In contrast to Ireland, there are no national- or provincial-level accords that seek to set broader settlement patterns.

Although varying by jurisdiction, the public policy framework over the last two decades has become less accommodating for union recognition and more amenable to employer strategies that seek to differentiate between unionised and non-unionised sites. The Canadian legal framework has traditionally been seen as more favourable to union recognition than that in the US (Weiler, 1983; Tarras, 1997; Godard, 2003). The greater use of card check procedures as opposed to elections to establish representativeness has been consistently found to facilitate access to union representation, notably by reducing the scope for employer opposition and the efficacy of unfair labour practices (Riddell, 2004). While some jurisdictions have continued to seek to facilitate access to union representation (affirmed and reaffirmed in recent decisions by the Supreme Court of Canada as a fundamental right), there has been a larger trend away from card check certifications in a
number of jurisdictions and towards compulsory certification elections with significant negative effects on the degree of union success in the most populous jurisdiction (on Ontario, see Bentham, 2002). Legislative changes have also enhanced the scope for employer communication in certification campaigns.

The overall Canadian framework therefore offers considerable institutional latitude for employer discretion over the recognition of new units. It is unlikely that new sites are automatically tied into existing bargaining arrangements. Unions must undertake an increasingly onerous process to secure certifications. The sway of pattern bargaining has been weakened. Geographic and jurisdictional diversity reinforce this latitude. Moreover, there are significant multinational firms operating non unionised sites or operating side-by-side unionised and non unionised sites in major industries. The legitimacy of union avoidance has been further reinforced by the move to certification elections in a number of jurisdictions. Employers appear increasingly free to pursue double-breasting strategies or to avoid unionisation altogether.

**Similarities and Differences between the Three National Contexts**

All three countries have seen a decline in private sector union density in recent years. There are clear indications also that global pressures have influenced the industrial relations systems in each country, and that MNC approaches and behaviours may be shaping, to various degrees, these systems. Beyond these common trajectories, the above review of the institutional context for union recognition in each country variously suggests similarities and differences according to legal provisions for union recognition, bargaining structure and public policy.

The importance of legal procedures in union certification in Canada stands apart from the other two countries. The UK now has a statutory union recognition procedure, yet the great majority of employer decisions to grant new recognition remain voluntary – although
some effect on these voluntary decisions from the ‘shadow’ of the new recognition law cannot be ruled out. In Ireland, union recognition remains a voluntary decision. Canada’s single-employer bargaining structures tend to be more decentralised than those in Ireland and the UK. Multi-site recognition, and therefore bargaining, in Canada is constrained by the absence of links between jurisdictions. The definition of the bargaining unit in Canada is almost always deemed to be a single site. In Ireland and the UK multi-site bargaining arrangements in certain service sectors, such as banking and retail, and the privatised utilities are not uncommon; MNCs in such sectors opening new sites tend to wrap them into the existing multi-site bargaining arrangement, and thereby voluntarily extend union recognition.

Two dimensions of public policy are relevant. First, the presence of national partnership arrangements and/or public policy support for collective bargaining may have an indirect impact in encouraging union recognition at company level, and consistency of approach as unionised organisations open new sites. Canada and the UK do not have the national partnership arrangements which have become an integral feature of Irish industrial relations. Indeed, since 1980 the UK has abandoned longstanding public policy support for collective bargaining as the preferred means of regulating industrial relations, established at the turn of the 20th century. Key jurisdictions in Canada have rendered the unionisation process more onerous through compulsory certification votes (as opposed to card checks), thus discouraging union recognition.

Second, policies to attract inward investment can play a role in encouraging or discouraging union recognition. Ireland’s long standing policy of attracting mobile FDI in manufacturing and internationally traded services appears to have operated under a tacit understanding (at least) of the capacity to establish operations in a union-free environment (and despite national partnership arrangements). As with the first dimension, this sets Ireland apart from Canada and the UK. Given the type of FDI targeted, any effect is also likely to be
sectorally specific. Overall, Canada and the UK do not appear to differ greatly in the likely impact of public policies on union recognition. The situation in Ireland differs in two respects, but the effect is likely to cut either way.

**Methodology**

This paper draws upon data gathered through co-ordinated large-scale surveys of employment practice in MNCs operating in Canada, Ireland and the UK. These surveys attempt to redress two major methodological weaknesses in many studies of employment practice in MNCs. First, in terms of poor levels of representativeness (cf. Collinson and Rugman, 2005; McDonnell et al., 2007; Edwards et al., 2007), Collinson and Rugman (2005) argue that much published work on MNCs reflects a sample bias towards the largest, most global, well-known and predominantly American manufacturing firms (e.g., IBM or General Electric) leading to an unrepresentative depiction of employment practice in MNCs. Second, most studies focus on patterns of foreign-owned sites as opposed to the aggregate behaviour of particular MNCs within a particular country. Our aim was to address these gaps by carrying out the most representative international investigation to date.

A critical first step was to distinguish between foreign- and domestic-owned MNCs and establish a size threshold as follows:

- **Foreign-owned MNCs:** All wholly or majority foreign-owned organisations operating in the host country (Canada, Ireland or the UK), with 500 or more employees worldwide and 100 or more employed in their host county operations.

- **Domestic-owned MNCs:** All wholly or majority home country-owned (Canada, Ireland or the UK) organisations with 500 or more employees worldwide and at least 100 employed abroad.

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1 This paper draws on data from a larger international research project known as INTREPID - *Investigation of Transnationals’ Employment Practices: an International Database*, involving coordinated surveys of employment practice in MNCs in Argentina, Australia, Canada, Denmark, Mexico, Norway, Spain, and UK. This paper focuses on three of these countries. Greater detail on each national study is available in Bélanger, et al. 2006 (Canada); Lavelle et al. 2009 (Ireland) and Edwards, et al. 2007b (UK).
The next step involved the compilation of accurate and comprehensive listing of the MNC population in each country. This proved to be a particularly painstaking task involving a detailed review of various listings of MNCs provided by national agencies (e.g. government sources and development agencies) and organisations specialising in company databases (e.g. Kompass, Dun & Bradstreet). A number of recurring themes arose when examining the various databases, including their lack of comprehensiveness, duplication of companies and the inaccuracy of company details (numbers employed, etc.). It is clear that, taken in isolation, none of the sources could be relied upon to provide a comprehensive and accurate list of MNCs. In such circumstances it was clearly necessary to use all available sources to collate national lists from a number of different sources.2

In tandem with the compilation of the national databases, the three research teams collaborated in developing the questionnaire. This instrument focused on five substantive areas of employment practice (the HR function; pay and performance management; employee representation and consultation; employee involvement and communication; training, development and organisation learning) as well as encompassing a section on company background and related information. The questionnaire comprised equivalent questions to allow the same phenomena to be explored, whilst allowing for adaption to take account of national context.

This paper is based on a total of 770 responses from MNCs operating in Canada (n=208), Ireland (n=260) and the UK (n=302), though various filters have been employed that lower these N values for each individual regression. The same criteria were used to identify the survey population in each country and the same target respondent was identified, i.e. the most senior HR practitioner capable of answering for all of their organisation’s national operations in each country. The survey was administered face-to-face in Ireland and

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2 Details on the precise steps taken in each country to compile their respective MNC databases is available as follows: Canada (Bélanger, et al., 2006); Ireland (McDonnell et al. 2007); UK (Edwards, P. et al., 2007).
the UK, in cooperation with an independent research agency in Ireland and shared between this agency’s survey unit and members of the Irish team, and by a professional survey agency in the UK. The Canadian survey deployed a combination of postal and Web options administered by the research team. There were some differences in the timing of fieldwork, with the UK survey being in the field from late 2005 until summer 2006, the Irish survey from spring 2006 until early 2007 and the Canadian survey from winter 2006 to winter 2007.

Interviews were completed with a senior HR executives in 260 MNCs in Ireland, 302 MNCs in the UK operations and 208 MNCs in Canada. Response rates varied. The response rate in Ireland is 50% of the identified population of MNCs meeting the size criteria (McDonnell et al, 2007). For the UK, the achieved sample of 302 is estimated to represent 18% of the eligible population (Edwards et al., 2007). In Canada, the sample of 208 represents 15% of the eligible population. In each country, robust checks for non-response bias were undertaken against known parameters in the population listing. For the UK, service-sector MNCs were found to be slightly under-represented in the achieved sample as compared to manufacturing MNCs, and the findings have been weighted to adjust for this. The Canadian survey also represents the broad characteristics of the population with a slight underrepresentation of service-sector MNCs. For Ireland, the surveyed sample was found to be broadly representative of the population.

**Models, Hypotheses, and Methodological Suitability**

Given the literature and our aims for this paper, we have chosen two models to study. The first incorporates the broad notion of union recognition influences. The second model lies within this same topic, but focuses specifically on double-breasting. The dependent variables are (1) whether a surveyed firm recognizes unions, and (2) whether the surveyed firm is operating entirely unionized facilities or a mixture of union and non-union sites (thus

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3 The Irish sample was stratified, and the response rate is 63% when taking this into account.
engaging in double-breasting). We maintain that the determinants for these models should include the firm’s country of origin, sector, size, ownership status, and date of establishment.

We have identified dichotomous dependent variables to account for both union recognition and double-breasting. In the first model, firms were given a value of 1 if they recognized unions for the purposes of collective bargaining at any site, and a 0 if they did not recognize unions. In the second model, firms that engaged in double-breasting were given a 1, and firms that did not were given a 0. We chose to filter from the data set the home-owned MNCs, looking only at those coming from foreign countries; including home-owned firms would potentially cloud the results, particularly for country of origin.\(^4\) Removing home-owned firms also allows us to focus on the “institutional distance” of the MNCs operating in each of the countries. For the double-breasting model, we also filtered out firms that were not unionized. In attempting to determine the factors that contribute to union recognition and double-breasting within each of the three countries, we have established a set of independent variables which we can use to create our models for each country. The following independent variables are used.

**Country of origin.** There is a substantial literature demonstrating the influence of country of origin on the management of labour in international subsidiaries, much of which has been discussed above. To reiterate, the literature suggests that MNCs originating in the United States are less likely than others to engage with trade unions (De Vos, 1981; Lavelle, 2008, Gunnigle et al. 2005; Geary and Roche, 2001). We use three broad categories for country of origin – these are the United States, Continental European, and other Anglo-American (aside from U.S. firms). Given the literature, we would expect that U.S.-based companies would be less likely to recognize unions, and more likely to engage in double-breasting, than those from either Continental Europe or other Anglo-American countries. We hypothesize that the

\(^4\) Note that filtering the data brought the N size down to 258, 165, and 213 firms for the U.K., Canada, and Ireland, respectively.
extent to which these companies differ in their union recognition levels across each country would likely vary based on institutional factors.

**Sector.** The role of sector is again heavily cited in the literature as contributory toward differences in HRM practices of MNCs. In fact, some maintain that sector is more critical in understanding the variation in MNC practices than country of origin (cf. Marginson and Sisson, 1994). Production is generally seen as the sector in which unions are most entrenched (Roche, 1997; Wallace, 2003). We compare the production and services sectors, with the expectation that MNCs operating in production would be more likely to recognize unions than those in the services sector; yet, we would also expect manufacturing firms to more readily engage in double-breasting, given the already high union presence in the industry.

**Employment size:** The aforementioned literature has noted that firm size appears to influence union status. In our case, size refers to the number of workers in the MNC’s host country operations alone, rather than the worldwide operations.\(^5\) We distinguish between firms with 100 to 499 employees, firms with 500 to 999 employees, and companies with over 1000 workers. In addition to having a higher union presence, we would expect that larger firms would be more likely to engage in double-breasting, considering that there may be greater incentive for a company to open a non-union site given the already high unionization levels.

**Publicly versus privately traded companies:** Though the literature has not discussed this notion in any great depth, we might expect that publicly listed companies are less likely to be unionized than privately held firms, and may be more likely to engage in double-breasting. The pressure on publicly listed companies to maximize shareholder value has led to extensive

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\(^5\) Given the localized nature of our study, it is more accurate to include this national-level figure rather than transnational numbers.
scrutiny of their ability to take costs out of the business. In turn, this might translate into greater pressure toward non-union status than in privately-owned companies.\(^6\)

**Date of Establishment:** The literature would suggest that more recently established companies are much less likely to be unionized than older, established companies (Kochan et al. 1986; Blanchflower and Freeman 1992; Cully et al. 1999; Turner et al. 2002; Machin 2003). We identify two date of establishment categories – 1980 and earlier, and post-1980. We chose 1980 as the dividing point in the variable in order to create a more nuanced categorization than simply running establishment as a continuous variable. Given the general trends in much of the developed world both politically (i.e., Reagan and Thatcher’s rise to power in the U.S. and U.K., respectively) and economically (i.e., the peak and subsequent decline of unions in the U.K., Canada, and Ireland in 1980), we felt that this dichotomous division was appropriate.\(^7\)

**Propositions for Empirical Results**

In addition to our hypotheses regarding the variables that we expect will influence union recognition and double-breasting within the three countries, we are able to make propositions related to the variation in the empirical output generated across the countries. These propositions are founded in the theory and literature discussed above, and are derived from the contextual considerations accorded to each country, relative to the others.

**Proposition 1:** The models for union recognition and double-breasting in Canada will be the least well-defined, have fewer significant variables, and have lower magnitudes of influence for significant variables.

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\(^6\) Against this, the recent rise to prominence of private equity funds as one form of private ownership as aroused particular union antagonism precisely because private equity owners are even less constrained to accommodate other stakeholder interests than are publicly-listed companies. The data do not, however, allow private-equity ownership to be distinguished from other forms of private ownership (such as family).

\(^7\) The construction of the post-1980 dummy variable may have a small amount of error; the original variable captured the number of years since the company first established operations in the host environment. This number was based on the individual interview date for each firm, which varied on a case-by-case basis according to when the interview took place. To obtain a standardized date of establishment, we took the year in which the vast majority of interviews occurred (2006) and subtracted from it the response given by each firm.
**Proposition 2:** The models for union recognition and double-breasting in Ireland will be the most well-defined, have the most significant variables, and have the highest magnitudes of influence for significant variables.

**Proposition 3:** The UK models will sit between Ireland and Canada, but will edge closer to the Irish results than the Canadian outcomes.

These propositions can be traced back to earlier work on IR systems, some of which emphasized the notion that, in comparative studies, the magnitude and significance of variables are distinctly influenced by variances across systems (Whitfield et al. 1994). In our case, we would expect Canada to have fewer significant variables and a less well-defined model because the IR system is the most institutionally constraining of the three. A firm’s internal factors (i.e., the MNC’s country of origin, sector, size, etc.) are more likely to be overridden by the external constraints of the system in Canada than in Ireland or the UK in terms of union recognition practices.

Ireland, on the other hand, has the least institutionally constraining IR system of the three; MNCs are afforded considerable flexibility to implement their business strategies without substantial institutional obstacles. Therefore we would expect that the models for union recognition and double-breasting amongst MNCs in Ireland would be the most well-defined and more of the independent variables would be significant, as there are fewer externalities that might overshadow the internal factors highlighted above.

Finally, the UK should fit somewhere between Canada and Ireland. It has more institutional constraints than Ireland, but the UK and Irish systems are still quiet similar, more so than the Canadian system. Thus, we would expect the models to be similar between the UK and Ireland, but not identical, with the UK falling behind Ireland in terms of model fit and variable magnitudes/significance.

*Methodological Suitability of the Variables*
It is important to establish that each of the variables included in the models is independent of all the other included variables. For instance, it is critical to know whether any associations between sector and country of origin would lead to clouding of the included data. To test the methodological suitability of our variables, we used a number of techniques, including condition indexes, tolerance/VIF tests and also a standard correlation matrix. None of the variables violated any collinearity diagnostics; therefore, all have been included in our analysis.\(^8\)

**Descriptive Information**

Table 1 gives a description of the data for each of the included countries (United Kingdom, Canada, and Ireland) as well as a pooling of all three. The descriptive results indicate that firms operating in Ireland recognized unions more often than the other countries and engaged in double-breasting least often; there was very little difference in the union recognition and double-breasting figures between the U.K. and Canada, however. The levels of union recognition were largely even across all three countries, as demonstrated in the pooled results, whereas the numbers suggest a slightly higher number of firms not engaging in double-breasting overall.

Looking at country of origin, we found that U.S. firms were particularly prevalent in Canada, comprising 70.7 percent of the sample. There was no real difference in the percentage of U.S. firms operating in the UK (52.8 percent) when compared with Ireland (49.0 percent). MNCs from Continental Europe were most prevalent in the U.K., and far less prevalent in Canada.

We found considerable difference in the sectoral categorization of the countries. In the U.K. and Canada, more of the surveyed firms operated in the production sector (58.5 percent and 63.0 percent, respectively) than in the services sector. In Ireland, there were

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\(^8\) A series of tables detailing each of the methodological suitability tests is available on request.
equal numbers of services and production firms. There was considerable consistency across all three countries in terms of employment size; most of the firms had between 100 and 499 employees in the host country. Further, in all the countries there were more large sized firms (1000 plus workers) than those of medium size (500-999 employees).

In all three countries, there were far more publicly traded firms than those owned privately. Canada had the highest percent of publicly traded firms (84.8 percent), while the U.K. had the lowest relative percent (67.8). Finally, there was some variation across the date of establishment in each country. Using 1980 as the dividing year, we found that the U.K. and Ireland had far more firms established after 1980. In Canada, there were equal numbers of firms established both after 1980 and during/before 1980.

This information provides a useful foundation for our empirical findings. We begin by analyzing each country independently, given our argument that the specific institutional features (i.e., IR system, legal environment, etc.) within each country shape the extent to which each of the independent variables contributes to MNCs’ union recognition levels.

Table 1: Frequencies for Dependent and Independent Variables in Each Country

<table>
<thead>
<tr>
<th>Variable</th>
<th>U.K. N = 258</th>
<th>Canada N = 165</th>
<th>Ireland N = 213</th>
<th>Pooled Data N = 636</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEPENDENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Recognition = No</td>
<td>53.3</td>
<td>52.8</td>
<td>43.7</td>
<td>49.9</td>
</tr>
<tr>
<td>Union Recognition = Yes</td>
<td>46.7</td>
<td>47.2</td>
<td>56.3</td>
<td>50.1</td>
</tr>
<tr>
<td>Double-Breasting = No</td>
<td>57.5</td>
<td>54.5</td>
<td>65.8</td>
<td>59.9</td>
</tr>
<tr>
<td>Double-Breasting = Yes</td>
<td>42.5</td>
<td>45.5</td>
<td>34.2</td>
<td>40.1</td>
</tr>
<tr>
<td><strong>INDEPENDENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of Origin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>52.8</td>
<td>70.7</td>
<td>49.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>39.9</td>
<td>18.7</td>
<td>30.6</td>
<td>31.2</td>
</tr>
<tr>
<td>Other Anglo-American</td>
<td>7.3</td>
<td>10.7</td>
<td>20.4</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>41.5</td>
<td>37.0</td>
<td>49.8</td>
<td>43.1</td>
</tr>
<tr>
<td>Production</td>
<td>58.5</td>
<td>63.0</td>
<td>50.2</td>
<td>56.9</td>
</tr>
<tr>
<td><strong>Employment Size</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100-499</td>
<td>48.4</td>
<td>57.6</td>
<td>60.6</td>
<td>51.5</td>
</tr>
<tr>
<td>500-999</td>
<td>15.5</td>
<td>17.6</td>
<td>16.0</td>
<td>17.8</td>
</tr>
<tr>
<td>Ownership Status</td>
<td>1000 plus</td>
<td>36.0</td>
<td>24.8</td>
<td>23.5</td>
</tr>
<tr>
<td>------------------</td>
<td>----------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Private</td>
<td>32.2</td>
<td>15.2</td>
<td>25.1</td>
<td>37.4</td>
</tr>
<tr>
<td>Public</td>
<td>67.8</td>
<td>84.8</td>
<td>74.9</td>
<td>62.6</td>
</tr>
<tr>
<td>Length of Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established pre-1981</td>
<td>24.0</td>
<td>50.0</td>
<td>24.9</td>
<td>33.0</td>
</tr>
<tr>
<td>Established post-1980</td>
<td>76.0</td>
<td>50.0</td>
<td>75.1</td>
<td>67.0</td>
</tr>
</tbody>
</table>

**Logistic Regressions**

We used logistic regressions to empirically test the effects of the various independent variables on our dependent variables within each of the three countries of interest. Given the dichotomous nature of the dependent variables, logistic regressions were the appropriate tool. Each independent variable was accorded a reference category; these included U.S. country of origin, services sector, 100-499 employment size, private ownership, and pre-1981 date of establishment.

**United Kingdom**

MNCs operating within the United Kingdom were tested first. The results of these tests are found in Table 2. We found that both our models fit well overall, passing the chi-square and Hosmer and Lemeshow tests for model fit. Further, the models had Nagelkerke $R^2$ values of .245 (union recognition) and .244 (double-breasting). In terms of the individual variable influences, we found the following. Country of origin was somewhat significant in terms of both union recognition and double-breasting, with firms originating in Continental Europe almost twice as likely to recognize unions as the U.S. reference point ($p < .05$), and considerably less likely to double-breast ($p < .10$). There was no significant difference between firms from other Anglo-American countries and those originating in the United States for either model.

We found a highly significant sector effect for union recognition; firms operating in the production sector were far more likely to have unions than those within the services sector ($p < .01$). There appeared to be significance for employment size in both models;
medium sized (p < .05) and large sized firms (p < .01) were more likely to recognize unions than small firms. Large firms were also more likely to engage in double-breasting than small firms (p < .05). Finally, we found no significance for ownership status or length of operations in terms of union recognition, though there was significance for ownership status as it related to double-breasting, with public firms (p < .10) more likely to double-breast.

**Table 2: Logistic Regression for United Kingdom**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Union Recognition Model</th>
<th>Double-Breasting Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 232</td>
<td>Nagelkerke R² = .245</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Country of Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S. = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continental Europe</td>
<td>.681**</td>
<td>.316</td>
</tr>
<tr>
<td>Other Anglo-American</td>
<td>.164</td>
<td>.585</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Services = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>1.571***</td>
<td>.313</td>
</tr>
<tr>
<td>Employment Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(100-499 = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500-999</td>
<td>.894**</td>
<td>.440</td>
</tr>
<tr>
<td>1000+</td>
<td>1.407***</td>
<td>.342</td>
</tr>
<tr>
<td>Ownership Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Private = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>-.056</td>
<td>.326</td>
</tr>
<tr>
<td>Length of Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Estab. Pre-1981 = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estab. Post-1980</td>
<td>-.092</td>
<td>.343</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.904***</td>
<td>.492</td>
</tr>
</tbody>
</table>

Dependent Variable (Union Recognition model): did the company recognize unions (1 = yes; 0 = no)
Dependent Variable (Double-Breasting model): did the company engage in double-breasting (1 = yes; 0 = no)
Significance levels: *** = .01 level; ** = .05 level; * = .10 level
Hosmer and Lemeshow significance: .479 (Union Recognition Model), .965 (Double-Breasting Model)

**Canada**

Our second country of interest was Canada. Table 3 provides the regression results for this country. As with the United Kingdom regression, both models passed both the Hosmer and Lemeshow test for goodness of fit, and the Nagelkerke R² values was .188 and .233 for each model. Surprisingly, we found no significant differences in union recognition...
for firms originating in Continental Europe or other Anglo-American countries when compared with the United States base point. However, we did find that country of origin mattered in terms of double-breasting, with Continental European firms considerably less likely to engage in the practice than U.S. firms (p < .10). Similar to the regression for the United Kingdom, we found a significant sectoral difference for union recognition, with production firms far more likely to have unions than services firms.

Employment size was also partially significant in Canada, somewhat mirroring the results found within the United Kingdom; that is, large firms were more likely than large firms to recognize unions (p < .01) and were also more likely to double-breast (p < .05). Unlike the U.K. results, we found significance for ownership status in Canada for the union recognition model, but not for the double-breasting model. Publicly traded firms were substantially less likely to recognize unions than privately held MNCs (p < .05). Finally, the length of the firm’s operation in Canada was not significant in either model, again mirroring the U.K. results.

Table 3: Logistic Regression for Canada

<table>
<thead>
<tr>
<th>Variable</th>
<th>Union Recognition Model</th>
<th>Double-Breasting Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 146 Nagelkerke $R^2$ = .188</td>
<td>N = 71 Nagelkerke $R^2$ = .233</td>
</tr>
<tr>
<td>Country of Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S. = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continental Europe</td>
<td>.248 .525 1.281 .1701*</td>
<td>.968 .182 1.107</td>
</tr>
<tr>
<td>Other Anglo-American</td>
<td>.102 .608 1.107 .610  .856 1.840</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Services = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>1.364*** .418 3.913 1.019</td>
<td>.710 .361</td>
</tr>
<tr>
<td>Employment Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(100-499 = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500-999</td>
<td>.497 .485 1.643 .716  .695 2.046</td>
<td></td>
</tr>
<tr>
<td>1000+</td>
<td>.751* .447 2.120 1.370**</td>
<td>.631 3.935</td>
</tr>
<tr>
<td>Ownership Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Private = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>-1.345** .599 .261 -.495</td>
<td>.702 .610</td>
</tr>
<tr>
<td>Length of Operations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dependent Variable (Union Recognition model): did the company recognize unions (1 = yes; 0 = no)
Dependent Variable (Double-Breasting model): did the company engage in double-breasting (1 = yes; 0 = no)
Significance levels: *** = .01 level; ** = .05 level; * = .10 level
Hosmer and Lemeshow significance: .336 (Union Recognition Model), .844 (Double-Breasting Model)

Ireland

Our final country-specific regression studied multinationals operating within Ireland. The results for the regression can be found in Table 4. As with the others, we found that our models appeared to fit well, as demonstrated by the empirical tests for goodness of fit. The cases included in the final analysis had the strongest Nagelkerke R² of all the countries, at .359 and .286 for each respective model. We also found more variable significance in Ireland for each model than in either the United Kingdom or Canada.

Country of origin was highly significant in the Irish regressions. We found that firms originating in both Continental Europe and other Anglo-American countries were far more likely to recognize unions than the United States reference point (p < .01 for both). These firms were also substantially less likely to engage in double-breasting (p < .05 for Continental Europe; p < .01 for other Anglo-American).

Similar to the other country-specific outputs, we found a considerable sector influence for union recognition, with production firms again substantially more likely to recognize unions than services firms (p < .01). Unlike the other cases however, we found that sector influenced double-breasting in Ireland; production firms were less likely (p < .01) than services firms to double-breast. We also found an employment size effect in both models, with large firms more likely to have unions than small firms (p < .05) and also more likely to double-breast (p < .10). We found that there was no difference between publicly traded or privately owned firms in terms of union recognition or double-breasting in Ireland. However, we did find an influence of establishment date as it related to union recognition, whereas this
variable was not significant for the other countries. Companies who established their operations in Ireland after 1980 were less likely (p < .10) to recognize unions than those who came into Ireland in 1980 or earlier.

Table 4: Logistic Regression for Ireland

<table>
<thead>
<tr>
<th>Variable</th>
<th>Union Recognition Model</th>
<th>Double-Breasting Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 201</td>
<td>N = 114</td>
</tr>
<tr>
<td></td>
<td>Nagelkerke R² = .359</td>
<td>Nagelkerke R² = .286</td>
</tr>
<tr>
<td>Country of Origin</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(U.S. = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continental Europe</td>
<td>1.759***</td>
<td>.427</td>
</tr>
<tr>
<td>Other Anglo-American</td>
<td>2.185***</td>
<td>.494</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Services = ref.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>1.905***</td>
<td>.376</td>
</tr>
<tr>
<td>Employment Size</td>
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</tr>
<tr>
<td>(100-499 = ref.)</td>
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<td></td>
</tr>
<tr>
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<tr>
<td>1000+</td>
<td>.803**</td>
<td>.408</td>
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<td>Ownership Status</td>
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<td>Public</td>
<td>.086</td>
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<td>Length of Operations</td>
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<tr>
<td>(Estab. Pre-1981 = ref.)</td>
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<td></td>
</tr>
<tr>
<td>Estab. Post-1980</td>
<td>-.757*</td>
<td>.407</td>
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<tr>
<td>Constant</td>
<td>-1.245**</td>
<td>.592</td>
</tr>
</tbody>
</table>

Dependent Variable (Union Recognition model): did the company recognize unions (1 = yes; 0 = no)
Dependent Variable (Double-Breasting model): did the company engage in double-breasting (1 = yes; 0 = no)
Significance levels: *** = .01 level; ** = .05 level; * = .10 level
Hosmer and Lemeshow significance: .297 (Union Recognition Model), .764 (Double-Breasting Model)

Pooled Data

Our final regression involved pooling the data into a single set. This served two purposes: for one, it allowed us to garner a sense of the factors that most heavily influenced union recognition and double-breasting across all three of the countries, without necessarily controlling for all of the institutional variances, many of which may explain the country-specific differences in outcomes. For another, it afforded us an opportunity to control for the host country as it related to union recognition, which served as a way to verify that there were
in fact differences across the countries of operation, which would support our decision to subdivide the data into specific countries of interest. As such, a new variable called ‘Host Country’ was included in the pooled regression, wherein Ireland was accorded the reference category.

Table 5 provides the full regression for the pooled data. As with the other regressions, we found that the data fit extremely well according to the quantitative tests for model fit. The included cases had respective Nagelkerke $R^2$ values of .230 and .205. We found a considerable country of origin effect in both models, with results which mirrored those found for Ireland; that is, both Continental European and other Anglo-American MNCs were far more likely to recognize unions than the U.S. reference point ($p < .01$ for both) and less likely to engage in double-breasting ($p < .01$ for Continental Europe; $p < .05$ for other Anglo-American). We also found a large sector effect in each model, which again mirrors the results found for of the country-specific regressions ($p < .01$ for the union recognition model; $p < .05$ for the double-breasting model).

Further, there was a size effect in the pooled data, with large firms far more likely to recognize unions than small firms ($p < .01$); the same result held true in terms of the double-breasting model. There was no ownership or date of establishment effect in the regression for either of the models.

Finally, we did find a host country effect for the union recognition model. Firms operating within both the United Kingdom and Canada were less likely to recognize unions than MNCs operating in Ireland ($p < .01$ for the United Kingdom; $p < .10$ for Canada). This finding suggests support for our notion that there are indeed institutional/host country differences that influence the union recognition levels of multinational companies. The significance of this variable appears to validate our decision to look at the individual
countries in parallel, rather than simply pooling the data without considering these institutional variations.

Table 5: Logistic Regression for Pooled Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Union Recognition Model</th>
<th>Double-Breasting Model</th>
<th>Double-Breasting Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$N = 579$</td>
<td>Nagelkerke $R^2 = .230$</td>
<td>$N = 293$</td>
</tr>
<tr>
<td>Country of Origin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S. = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continental Europe</td>
<td>.917***</td>
<td>.220</td>
<td>2.501</td>
</tr>
<tr>
<td>Other Anglo-American</td>
<td>.984***</td>
<td>.299</td>
<td>2.674</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Services = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>1.581***</td>
<td>.200</td>
<td>4.859</td>
</tr>
<tr>
<td>Employment Size</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(100-499 = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500-999</td>
<td>.415</td>
<td>.259</td>
<td>1.514</td>
</tr>
<tr>
<td>1000+</td>
<td>1.055***</td>
<td>.221</td>
<td>2.872</td>
</tr>
<tr>
<td>Ownership Status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Private = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>-.175</td>
<td>.222</td>
<td>.840</td>
</tr>
<tr>
<td>Length of Operations</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(Estab. Pre-1981 = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estab. Post-1980</td>
<td>-.071</td>
<td>.205</td>
<td>.932</td>
</tr>
<tr>
<td>Host Country</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Ireland = ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>-.704***</td>
<td>.223</td>
<td>.494</td>
</tr>
<tr>
<td>Canada</td>
<td>-.428*</td>
<td>.249</td>
<td>.651</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.098***</td>
<td>.335</td>
<td>.334</td>
</tr>
</tbody>
</table>

Dependent Variable (Union Recognition model): did the company recognize unions (1 = yes; 0 = no)
Dependent Variable (Double-Breasting model): did the company engage in double-breasting (1 = yes; 0 = no)
Significance levels: *** = .01 level; ** = .05 level; * = .10 level
Hosmer and Lemeshow significance: .623 (Union Recognition Model), .251 (Double-Breasting Model)

Discussion and Implications

The results of the regressions raise a number of points worth discussion, both in terms of the hypotheses regarding the influence of the independent variables on union recognition and double-breasting, and the propositions related to the effects of institutional variations on the outcomes.
We found a considerable amount of consistency across the regression outcomes in terms of variables influential to union recognition and double-breasting within each country. In all of the regressions, sector proved highly influential within the union recognition model. Production firms were substantially more likely to have unions than were services firms in all of the regressions. This result is not particularly surprising given that the manufacturing/production sector has been a traditional stronghold for unions, whereas the services sector is far less amenable to a union presence. However, it does fully confirm our hypothesis related to sector.

In two of the three cases, we found that union recognition practices differed between the different country of origin categories and the U.S. base point. Where there were significant differences, the results uniformly showed that firms from the U.S. were less likely to recognize unions. In terms of double-breasting, we found some level of a country of origin effect in all of the regressions. As with the union recognition model, where there were statistically significant differences, U.S. firms were considerably more likely to engage in double-breasting than the other country of origin categories. This finding is consistent with the literature, which suggests that U.S. firms are generally less likely to favour a union presence than, say, Continental European companies. In all, our hypotheses that country of origin significantly influenced both union recognition and double-breasting, and that U.S. firms would be less likely to recognize unions and more likely to double-breast, were both supported by the regression outcomes.

The results for employment size also confirm the hypotheses we had for each model. The size of the plant mattered to some degree in all the regressions, with the largest firms consistently having both a higher union presence and an increased likelihood of engaging in double-breasting than the smallest firms. However, in many cases the middle category for
employment size did not significantly differ from the smallest firms in terms of union recognition or double-breasting.

The results for the remaining variables (ownership status and length of operations) were less consistent across the countries. We found that ownership status mattered in terms of double-breasting for UK firms, and union recognition for Canadian firms, but was not significant in any other regressions. The results suggested that publicly traded UK firms would be more likely to double-breast than privately owned companies, and that public firms would be less likely to have unions than private companies in Canada. The findings make sense to a degree, given our hypothesis that publicly traded companies might face shareholder pressures not to engage with unions; however, the inconsistency of these findings across all the regressions makes it difficult to formulate a robust argument as to whether the hypothesis is supportable. On the other hand, our hypothesis related to length of operations can be largely rejected. We did not find any significance for this variable in the UK or Canada, and found only marginal significance (p < .10) for the union recognition model in Ireland. However, in the Irish case, the results did support our theory that more recently-established firms would be less likely to have a union presence than older companies.

Beyond the results for the influence of the variables within each regression, our parallel approach to the empirical analysis allows us to compare the relative strength of the models and magnitude of the variables across the three institutional contexts. This allows us to test whether our propositions related to institutional variations and their effects on recognition practices across countries were accurate. Our propositions suggested that the overall model would be least well-defined in Canada, most well-defined in Ireland, and somewhere in between in the UK. According to the propositions, the number of significant variables would also follow this trend, as would the magnitude of the coefficients.
The results support all of these propositions. The Canadian regressions had the lowest Nagelkerke $R^2$ values of the three countries, both in terms of the union recognition and double-breasting models. Only three of the variables were significantly influential on union recognition in the Canadian regression, compared with four significant variables for the UK and five variables for Ireland. Further, only two variables were significant in terms of double-breasting in the Canadian regression, whereas three variables were significant in the UK regression and four variables were statistically relevant in the Irish model.

Perhaps most critically, the two country of origin categories were not found to be significantly different from the U.S. base in the Canadian model for union recognition. This may serve to highlight the overriding nature of externalities (that is, institutional constraints) on union recognition in Canada, which may have mitigated the country of origin effect found in the other regressions. We also found that the magnitude of the coefficients appeared to confirm our propositions for the three countries of interest. The Irish regression for union recognition had considerably higher coefficient differences for the county of origin and sector variables when compared to the other countries. This appears to support our notion that the permissiveness of the IR system influences the amount of success that MNCs have in bringing their home-country practices into the host environment. In the UK, which has a somewhat less permissive system than Ireland but still maintains similar IR structures, the MNC’s country of origin remained an important consideration to union recognition (that is, U.S. firms were likely to recognize unions less often than Continental European companies), but the effect of country of origin was nowhere near as high as that found in the more permissive Irish context. Finally, the pooled regression results suggest support for the notion that host country differences do influence a firm’s recognition of unions.

It is worth considering the implications of these results to the larger theoretical debates related to MNCs’ behaviours and home/host country effects, amongst other issues.
These findings are preliminary in nature, and a discussion on how they impact on broader IR theory would be extremely useful going forward. Although it may be the case that we have addressed the propositions and hypotheses put forth in this paper, the results are potentially suggestive of broader considerations related to the approaches MNCs take to union recognition, and the mediation factors involved in the execution of these strategies. We hope to promulgate a refined and nuanced argument that goes some way toward tying our findings into the broader theory and literature on this subject in the near future.

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