International CRIMT Conference
*Multinational Companies, Global Value Chains and Social Regulation*
June 6th to 8th 2011, HEC Montreal, Montreal, Canada

Workshop:
International Framework Agreements II: Negotiating, Implementing, Networking / Les accords-cadres internationaux II : négociation, implantation, réseautage

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*Kadire Zeynep Sayim* Bilkent University, Ankara, Turkey

*Dimitris Stevis* Colorado State University, Ft. Collins, CO, USA
Introduction: The IFA Project

Research Project
Organization and Regulation of Employment Relations in Transnational Supply and Production Networks: Ensuring Core Labor Standards through International Framework Agreements?

Grant: Hans-Böckler-Foundation, Germany
October 2008 – December 2011
Research Group

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USA
Prof. Dimitris Stevis, Ph.D., Colorado State U.,
Steven Toff, National Nurses Union / GLU
1. Motivation for concluding an IFA
   - What motivates TNC management?
   - What motivates global/national unions?

2. Implementation of IFA
   - How are IFAs communicated and implemented within TNCs?
   - To what extent and how are suppliers also included?
   - How do local operations (management, trade unions) participate in these processes?
Research Design:  
Case Selection

Region of origin | Industry/GUF domain | Host countries

| EU | IMF | UNI | ICEM | BWI | Brazil | India | Turkey | USA |

TNCs headquartered in the EU (majority of all IFAs has been concluded by TNCs from continental Europe)

Four industries (four GUFs have signed the bulk of IFAs):
- IMF
- UNI
- ICEM
- BWI

Four host countries (due to their special position in global division of labor and industrial relations systems):
- Brazil
- India
- Turkey
- USA
<table>
<thead>
<tr>
<th>Company</th>
<th>GUF</th>
<th>IFA signed (renewal)</th>
<th>Industry</th>
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<td>2003 (2008)</td>
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The IFA Process: An ideal-typical transfer model

Stages:
- Negotiation
  - Problem definition
- Implementation
  - First time of use
  - Repetition
  - Satisfactory Performance / Replication
  - Evaluation / Integration

Events:
- Decision to transfer
- Satisfactory Performance / Replication

(Source: Szulanski 2000)
Negotiating Global Standards as Institutional Work: The Case of International Framework Agreements

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Workshop: "Negotiating, Implementing, Networking. Insights on the IFA Process"
FIFAs: Negotiated Standardization

Argument Line:

• Globalization = weak body of institutionalized rules regarding labor

• IFAs represent a means of standardization of employment practices in TNCs and their Global Production Networks

• This standardization involves independent actors (unions) and must be negotiated and implemented

• Negotiations involve actors with differing / contradictory interests and institutional logics

• Necessity of institutional work
Negotiated Standardization as Institutional Work

Perceived deficits of existing institutions

Institutional Logics/Institutional thickness

Strategies & practices for (initiating) negotiations

Defining negotiation mode

Managing internal differences

Shaping attitudes

Institutional outcome: Conflict resolution & complaint handling

Negotiation Process

Perceived opportunities for institutional work
Initiating Negotiations:
pressure / institutional resources at HQ / joint initiative

Defining the bargaining mode:
distributive / integrative

Shaping attitudes:
inconsistency / conflict partnership / cooperative partnership

Managing internal interests:
selected spokesperson / co-optation / multiple actors

Institutional Outcome:
Conflict resolution and complaint handling
Cases

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Case Outcomes

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<td><strong>Conflict resolution and feedback</strong></td>
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<td>informal exchange, non-resolution</td>
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<td><strong>Case example</strong></td>
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Three ideal typical institutional outcomes of negotiated standardization
RubberCorp Negotiation Process

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**Negotiation process:** institutional stagnation / hollow institutions

**Initiating negotiations:** By using "soft" pressure + institutional position

**Defining negotiation mode:** Distributive tactics

**Shaping attitudes:** Inconsistent relationship: parallel adversarial and cooperative attitudes

**Managing internal differences:** Internal coherence (?), one spokesperson, exclusion of relevant actors by other party's intervention

**Conflict resolution and feedback** informal exchange, external pressure only, non-resolution of complaints
MetalCorp Negotiation Process

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<td>System suppliers, relational sub-contracting</td>
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**Negotiation process:** institutional transformation

**Initiating negotiations:** By using institutional resources at HQ level

**Defining negotiation mode:** Distributive & integrative tactics

**Shaping attitudes:** Conflict partnership

**Managing internal differences:** Internal coherence, co-optation

**Conflict resolution and feedback** extended formal structures at HQ to resolve incoming complaints
ChemCorp Negotiation Process

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Negotiation process: Institutional creation

Initiating negotiations: By management initiative

Defining negotiation mode: Integrative tactics

Shaping attitudes: Collaborative relationship

Managing internal differences: Diversity of opinion tolerated, multiple channels for communication, but top-level control

Conflict resolution and feedback: Through newly created procedures, preemptive attempts to reduce complaints
Discussion

• Negotiations are the heart of institutional work, bringing policy goals to bear on existing institutional structures.
• Negotiations are a contingent process of institutional change
• Practices of institutional work explain the variations in outcome.
• Several practices influence the outcome, their relative importance may differ between cases.

Stagnation:
  “lonely” GUF agreement.
  Signature over Implementation capacity

Transformative:
  HQ-centered institutional change

Creation:
  Comprehensive process of development with proactive approach