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## Peace in companies, tripartite conflict? Comparison of industrial relations at the national and workplace level in Central and Eastern Europe.

Pavol Babos

This paper investigates the predictive power of the Varieties of Capitalism (VoC) approach for the industrial relations climate in Central Eastern Europe. The research makes use of the 2009 European Company Survey to evaluate the relations of trade unions and management at the workplace. Consequently, it categorises the results according to this theoretical background and compares them to the types of industrial relations described in the VoC literature. The industrial relations climate in the sample countries only shows the expected pattern in terms of the purely attitudinal answers. However, after analysing items based on the experiences of the social partners, the pattern disappears. The main conclusion is that the VoC approach can, to a certain extent, predict the attitudes of labour and management toward each other; however, actual practices are often different from reported attitudes.

Keywords: industrial relations, workplace climate, Central Eastern Europe, Varieties of Capitalism

### Introduction

Most studies on industrial relations in Central Eastern Europe have focused on the country level and investigate different aspects of relations between social partners at the national level. However, knowing that trade unions and employers associations cooperate smoothly at the national level does not necessarily provide information about relations between unions and management at the workplace. Although the employers and employees in the individual firms are bound by the same legislature and institutions as national representatives and associations, there is still considerable room for improving or worsening the workplace climate in terms of human resource practices, informing and consulting employees and so forth.

The link between national level industrial relations and firm level relations has often been suggested in the literature. However, many studies have focused on Western Europe and the United States rather than Central and Eastern Europe. As Meardi (2007) highlighted, there have been only “very slim participation from these countries” at international conferences and “the gap in industrial relations indicators was impressive” (2007: 504). After the EU enlargement in 2004, research interest in the new member states has increased. However, many questions regarding industrial relations in these countries as well as the applicability of theories drawn from developments in Western Europe remain unanswered.

This paper investigates the predictive power of the Varieties of Capitalism (VoC) approach for the industrial relations climate in individual Central and Eastern European firms. It attempts to test whether a macro-level theory of industrial relations can predict actual relations at the workplace. In order to do so, the VoC concept was used to describe the type of industrial relations present in Central Eastern Europe. Consequently, the 2009 European Company Survey was used to assess workplace climate in the sample countries. If the VoC theory has predictive power, we would expect the workplace climates in the countries to vary according to the type of industrial relations present.

The structure of this paper is as follows. First, we will explain how the concept of industrial relation climate is connected to the field of industrial relations research. Second, we will provide a theoretical base for comparing the VoC concept to the industrial relations climate. Third, we will describe the methods and tools used in this research and then present the results. Finally, we will conclude with a discussion of questions for further research that arouse during the study.

## Industrial Relations Climate

The concept of an organisational climate was developed by the psychologist Kurt Lewin (1939) prior to World War II and was first used to describe the relationship between different actors within organisational units. The concept was later adopted and elaborated upon by other scholars and now generally refers to attitudes, feelings and behaviours of organisation members. However, a concept referring to the specific set of relations between employer representatives and employees was not fully developed until the 1980's. Blyton, Dastmalchian and Adamson (1987) formulated important questions concerning the sphere of relations between main industrial stakeholders at the micro level and highlighted the importance of systematic research in this field. Based on their research as well as previous studies, the authors came up with a broad definition of the industrial relations climate, which was later widely accepted by others in the field. As Dastmalchian (2008) summarised, the industrial relations climate refers to the *“perceptions of organizational members about the norms, conduct, practice and atmosphere of union-management relations in the workplace”* (2008: 548).

Blyton and colleagues (1987) designed a study of workplace relations that lead to the definition of six key areas of the industrial relations climate. These dimensions should “reflect the perceptions of organisational members of the kinds of norms and atmospheres surrounding the practice of union-management relations within the enterprise” (Blyton 1987: 209). The six dimensions include hostility, mutual regard, trust and fairness, joint participation, apathy, and union-management cooperation (ibid: 210).

In the time since, scholars have adopted a variety of approaches to research on the industrial relations climate. Nicholson (1979) focused on two broad types of problems in his study on the UK steel industry and divided the industrial relations climate into two categories according to the flow of workplace problems: the issue-centred climate and the people-centred climate. Others treated the industrial relations climate as an explanatory variable in terms of labour conflict and efficiency (e.g. Katz et al. 1983). However, whether the industrial relations climate is considered to be a dependent or independent variable (the latter of which is typically the case), the broad consensus in the literature is that, although the industrial relations climate is multi-dimensional, the dimensions usually lie on the continuum between two ideal types: the consensual and the conflictual climates (Dastmalchian et al. 1991). This classification of the industrial relations climate will be used in this study to compare the industrial relations at the macro level, as suggested by the VoC approach, as well as in the assessment of the industrial relations climate based on a survey of micro-level data. The survey respondents were managers and directors of the contacted companies as well as trade union representatives. Most respondents active in the area of employee representation were leaders of the local or company trade unions or, as in several countries, chairmen of the work councils. Only in Estonia did more respondents stem from work councils than from trade unions (71 of 125).

## Varieties of Capitalism and the industrial relations climate

The relations between trade unions and employers as the main economic actors are of central interest in the VoC approach. Hall and Soskice (2001) categorised the varieties of capitalism

based on the type of coordination between the economic actors, while focusing especially on the representatives of employers and employees. Based on the type of relations between the social partners and the coordination of their activities, Hall & Soskice identified two ideal types of VoC: Liberal Market Economies (LME) and Coordinated Market Economies (CME).

This study refers to Hall and Soskice's VoC typology for two major reasons. First, based on the argument of institutional complementarity, the authors suggested that industrial relations should systematically vary among types of capitalism because they are part of the same system of interconnected institutions. Hamann and Kelly (2008) reviewed the evidence of the 20 OECD members for the period between 1980 and 2000 and concluded that for many variables "*the distinction between LMEs and 'other' types of capitalism does make sense*" (2008: 146). The second reason for using the VoC approach in this study is that it is the concept most frequently applied to Central and Eastern Europe. The role of region in the VoC literature will be discussed later.

The LME type requires a flexible and deregulated labour market as well as weak trade unions. Given this environment, wage bargaining tends to be decentralised; and workers have incentives to invest their time and money into general and broadly applicable skills as a means of increasing their employability on the labour market. In CME, on the other hand, non-market and informal coordination dominates socio-economic relations. Firms resolve their everyday problems via strategic interaction with their partners. In order to achieve long-term equilibrium in such an environment, supportive institutions are needed. Hall and Soskice illustrated this type of strategic interaction on the example of Germany (2001: 22).

The literature suggests that the coordination mechanisms of the two identified ideal types also refers to two types of industrial relations. A Coordinated Market Economy is thought to encourage the consensual type of industrial relations, which is characterised by higher rates of bargaining coverage, union density and union membership. A Liberal Market Economy, on the other hand, is characterised by low or no bargaining centralisation and coverage as well as a considerably smaller number of channels through which employee representation can express their concerns. There is a body of literature that describes the hostile workplace climate present in the United Kingdom, which is considered to be an example of a LME in Europe. Ferner et al. highlighted an institutional argument by pointing out the fact that ideological norms shaped by the macro climate and institutions play a role in decision-making at lower levels (2005: 707). According to the authors, all companies are facing pressures at the firm level by the institutional setting and environment within which they operate. Edwards et al. argue that the change in workplace relations occurred alongside the changes in the economy structure and institutional framework during the 1980's. Attitudes based on "them and us" are recognisable; and the authors identified several patterns in workplace relations that appeared as national level industrial relations underwent major changes in the 1990's. These include mainly the rarely seen commitment of workers, the at best limited motions to increase employee involvement and the increased efficiency taking place at the expense of "*better technical organization of work, ... but not necessarily any increased worker satisfaction*" (1998: 46). Regarding the new patterns, authors also expressed their doubts that any serious social partnership was being practised. As for the United States, the example of a LME from Hall and Soskice, Ferner emphasises the fact that the history of US industrial relations was characterised by overt violence surrounding workplace issues and hostility of US firms toward unions, at the micro level, even when the firms establish branches outside the US in an attempt to circumvent the constraints imposed by local institutions (2005: 703). In contrast to LME economies, the literature suggests that workplace labour-management relations in Germany have been traditionally consensual. Jacobi et al. summarised that, although unions experienced a decline in membership and legal regulation, industrial relations in Germany still remain cooperative and ensure social stability (1998: 232-233). Hence, it is reasonable to assume that a CME will enhance the consensual industrial relations climate while a LME will provide incentives for developing a conflictual climate.

There are also alternatives to Hall and Soskice's approach that explore the varieties of capitalism (e.g. Crouch 1993; Amable 2003). However, they are very complex and use several

indicators that are not always conceptually interconnected. Therefore the literature provides very few, if any, attempts at the transposition of Amable's (or Crouch's or others') approach to the CEE countries, while theoretical concept of coordination mechanisms identified by Hall & Soskice provides an additional advantage for this study as it overlaps to a considerable extent with the forms of industrial relations climate identified by Dastmalchian (1991), although the former focuses on the national level and the latter on the firm level.

The next section analyses the position of the sample countries in the VoC literature and constructs hypothesis based on the above-mentioned assumptions. Subsequently, this paper proceeds to test the hypotheses using micro-level data from the 2009 European Company Survey.

## Capitalism, Industrial Relations and Central Eastern Europe

Although there have been several attempts to categorise the varieties of capitalism that emerged in CEE, only the literature relevant to the current study will be reviewed here.<sup>1</sup>

Feldmann (2006) was among the first scholars to apply the VoC approach to the countries of Central and Eastern Europe. Feldmann compared Slovenia and Estonia - two very small and open economies facing severe international economic pressures, which means that "any observed variation in economic institutions is particularly noteworthy," as he argued (Feldmann 2006: 832). Feldmann showed that Slovenia has developed economic institutions that correspond to Hall and Soskice's CME type, while Estonia could be placed on the other side of the continuum close to the LME type. Clemens Buchan made similar conclusions based on his own research (Buchan 2005).

Bohle and Greskovits' work (2007) broadened the sample of countries in question. The authors identified three types of capitalism in Central and Eastern Europe. Neoliberal capitalism has, as they claim, developed in the Baltic States. On the other side, there is the neo-corporatist type of capitalism in Slovenia, which is "the least market-radical" model and is characterised by a high level of social protection and a relatively large share of complex exports (Bohle/Greskovits 2007: 462). The authors also claim that the Visegrad countries lie somewhere in between and thus label them "embedded neoliberal" (ibid.). Poland, Hungary, Czech Republic and Slovakia are more socially inclusive than the Baltics. Although these states "established measures and institutions of industrial policy and social welfare that make their neo-liberalism embedded and distinctive," Visegrad countries still have not established "the institutions safeguarding macroeconomic stability" (ibid.).

Vanhuysse (2007) has touched upon the Varieties of Capitalism issue in his study that focused primarily on the trade unions and labour decline. Although his research deals mainly with the position of trade unions in Central and Eastern Europe as well as related public policies, Vanhuysse attempted to fit the new EU member states into the Varieties of Capitalism framework and came to an agreement with the classification of Bohle and Greskovits (Vanhuysse 2007: 508).

Although qualitative analysis has been more popular in recent years, quantitative research on the VoC in CEE has also been conducted. Knell/Srholec were among the first to grasp the coordination concept and develop a numeric expression for it. The authors based their analyses on three different types of institutional arrangements: (1) social cohesion; (2) labour market regulations; and (3) business regulations (Knell/Srholec 2007: 6). Another composite indicator was developed by Balaz (2006), which also considers the business, labour market and financial market environments in OECD countries. The major shortcoming of this work is that only four of the Visegrad countries were included in the analysis; thus, it is impossible to compare them to the Baltic States or Slovenia. Babos (2010) constructed a coordination index for the 2004 post-communist EU entrants based on several variables that corresponded to the areas of firms' coordination as described by Hall and Soskice (2001). All the above

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<sup>1</sup> I omit, for example, Nölke and Vliegenthart 2009, Myant and Lane 2007, Myant and Drahokoupil 2011.

mentioned studies agree that Slovenia most closely reflects the CME ideal type. However, the index of Knell and Srholec suggests that Latvia is closer to the CME type, while Slovakia and Hungary are more liberal. Balaz's results view three of the four Central European countries as slightly shifted toward the CME model, while Poland is very coordinated, even more so than Germany (Balaz 2006). On the other hand, Babos (2010) found Poland to be rather close to the LME model, scoring lower than Latvia. In his coordination index, the Czech Republic scored highest among the four Visegrad countries, indicating the least distance from the CME model (although still far from the ideal).

Based on the reviewed literature, it is clear that there is a considerably large consensus on the position of Estonia and Slovenia within the VoC framework. The smallest of the Baltic States approaches the ideal type of LME; and Slovenia is close to the CME model. Several scholars also agree that the capitalism of the two other Baltic States is rather close to the LME type. However, the picture is somewhat unclear when it comes to the countries known as the Visegrad group. The different results and categorisations stem from the different methods applied as well as the independent variables taken into consideration. The broad consensus in the literature categorises the four Visegrad countries somewhere between the ideal types, making them the least coordinated political economies in the selected sample.

Employee representation in Central and Eastern Europe is generally in the form of trade unions. During the communist regime, this was the only official option. As Aguilera & Dabu (2005) argued, the development of industrial relations in CEE has been path-dependent and influenced by liberalisation, deregulation and EU integration in the 1990's. The institute of the work councils was not introduced in most states (with the exception of Hungary and Slovenia) until the first decade of the 21<sup>st</sup> century; this occurred partly as a consequence of adaptation to both EU legislation and, primarily, the EU directive on information and consultation (Fulton 2011, Meardi 2007). According to Fulton (2011), the main role of employee representation in Central and Eastern Europe is still played by trade unions, with work councils being considerable actors only in Slovenia. In addition, Meardi points out that the work councils failed to fill the gap at firms in which trade unions were absent (2007: 507). In many countries, the legislation allowed work councils to replace unions and thus created ways for employers to completely avoid unions.

If the Variety of Capitalism approach was to predict the industrial relations climate in the CEE region, micro data should indicate the most consensual labour-management attitudes and behaviour in Slovenia. On the other hand, the most conflictual industrial relations climate is expected in Estonia and the other Baltic States. Poland, Hungary, the Czech Republic and Slovakia should be systematically located in between. Before analysing and interpreting the results, the next section discusses the methodology used to test whether the micro data confirm the hypotheses drawn from the macro-theory.

## Methodological Notes

The main goal of this paper is to test the relation and links between the concept of the VoC and the actual industrial relations climate based on micro data. In order to assess the industrial relations climate in the EU new member states, this study makes use of the 2009 European Company Survey (ECS) conducted by Eurofound. The 2009 ECS provides data with several questions touching on the six areas of industrial relations climate. Both the managers and employee representatives of the respective firms responded to the survey, making it possible to compare responses from the different parties. The sample is representative in terms of company size, sector of operation and type of activity.

The ECS questionnaires contain 17 questions each assessing one of the six dimensions of the industrial relations climate. All questions were tested for distributional independence among groups (Kruskal-Wallis test) to ensure that any observed differences were sufficiently large and thus unlikely to be caused solely by sampling fluctuation. Three of the questions did

not “pass the test” and were consequently excluded from the analysis, as any conclusion drawn from a comparison based on those questions would not be justifiable.

An additional five questions were excluded from this analysis for the following reason. The questions refer to the frequency of providing information to the employee representation (ER). There is reason to believe that this type of action is, to a certain degree, regulated by national legislature. For instance, in the Czech Republic the law guarantees employees one third of the seats in the supervisory boards of state-owned companies and public companies with more than 50 employees. The labour code also provides a very detailed list of issues that must be consulted with and approved by the ER. On the other hand, the Estonian legal system does not guarantee any positions for employee representatives in the supervisory boards of companies. Also, Estonian law lists only three areas of interest for which the ER must be consulted and stipulates that the ER “should” be informed about some issues, thus creating a non-obligatory statute for employers.

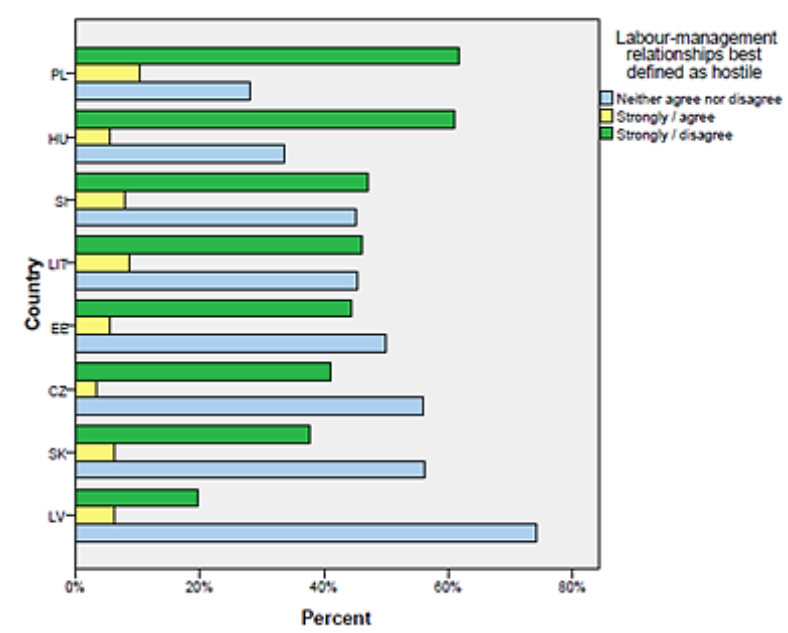
Since the industrial relations climate concept is constrained to feelings, attitudes and practices in labour-management relations (Blyton 1987), we decided to exclude the questions that do not relate solely to this concept from the analyses. The list of the relevant questions in the 2009 ECS survey is provided in Appendix 1. In the following analyses, the answers are divided into two groups based on whether they express the attitudes of the respondents or the experienced practices in labour-management relations. The latter group is also analysed further according to whether the respondent is an employee representative or a member of management.

Most of the answers were provided on a 5-point Likert scale, whereas some were on a 4-point scale. For better understanding and interpretation, the positive (e.g. strongly agree and agree) and negative answers (strongly disagree and disagree) were summed. Due to the character of the questions and answers, the benefits of better interpretation should outweigh the loss of information caused by this reduction. This step does not threaten the validity and reliability of the analyses, since it preserves the ratio of negative and positive answers. The category of “neither... nor...” is also shown in the graphs, demonstrating its considerable variation across countries. Countries in all graphs are displayed in a descending order according to the category referring to “consensual” industrial relations climate. Also, the rank assigned to the sample countries that is used in the tables below always follows the same logic. It is important to keep in mind that only the companies with some sort of employee representation were included in this analysis; thus, the results refer only to this set of firms.

As the final part of the analysis, we tested whether there is a difference in the industrial relations climate according to company size, ownership and sector. None of these factors proved to be significant. Therefore, we might assume that differences in industrial structure of the countries do not influence the industrial relations climate.

## Industrial Climate: Attitudes at the Workplace

This analysis is based on three questions from the 2009 European Company Survey that assessed the attitudes of the management and employee representation towards relations at the workplace. Employee representatives (ER) were asked to what extent they agree with the following statement: *The relationship between management and the employee representation can best be defined as hostile*. The largest proportion of ER who did not agree with this statement was in Poland, followed by Hungary and Slovenia. The smallest proportion of ER expressing disagreement was in Latvia, followed by Slovakia and the Czech Republic. However, Latvia had a very large proportion of ER who neither agreed nor disagreed with the statement, comprising approximately three quarters of the sample. Due to the high proportion of “neither... nor...” answers, we included the distribution of such answers in graph 1. The analyses of the remaining questions are summarised in table 1.

**Graph 1: Perception of the Character of the Labour-Management Relations**

Source: ECS 2009

**Table 1: Rank of countries according to attitude-based answers of managers**

Country	General Work Climate Assessed as Very Good/Good	Preference of Managers to Consult Directly with Employees	Labour-Management Relations Defined as Hostile
Estonia	8	7	5
Latvia	6	8	8
Lithuania	7	4	4
Poland	1	2	1
Czech Rep.	2	3	6
Slovakia	3	5	7
Hungary	4	6	2
Slovenia	5	1	3

Source: ECS 2009, author's calculation

### Industrial Relations Climate - Experience Based Answers

The practices that managers report and those actually occurring at the workplace are not necessarily the same. While the previous section shed some light on the attitudes towards labour-management relations, this subsection analyses the answers that point to the respondents' experiences with their company's workplace relations. In order to interpret the results in the most understandable way possible, the answers are clustered into three broader groups. First, we look at managers' evaluations of the industrial relations climate. Then, we proceed to an analysis of the corresponding answers from the employee representatives. The analyses are divided into two subsets - the labour-management relations and the relation between ER and the employees themselves.

Table 2 displays the ranking of the sample countries according to the answers of the management representatives. The first important result is that the countries' scores cannot be systematically clustered. This indicates that there is no clear ranking pattern. Two paradoxical

cases are Latvia and Estonia. In Latvia, consultation with ER appears to lead to the improvement of employees' performance and commitment more so than in the other countries. At the same time, however, involvement of the ER leads to delays in management decisions in most cases. The Estonian industrial relations climate appears to be the second most consensual in terms of the commitment of workers to consultations. However, the country was the second worst regarding the other two considered aspects. The Czech Republic presents another puzzling case. On the one hand, the involvement of ER leads to delays less often than in all other sampled countries. However, it also leads to the lowest worker commitment. Slovakia is the only country that scored approximately equal on all three questions and found itself in the middle of the ranking, indicating that, based on the managers' answers, the industrial relations climate is neither completely consensual nor completely conflictual. Slovenia has a surprisingly low score on the item addressing whether consultation leads to the commitment of workers and improves their performance.

**Table 2: Rank of countries according to experience-based answers of managers**

Country	Consulting ER helps improve performance	Involvement of ER leads to delays in management decisions	Consulting ER leads to commitment
Estonia	7	7	2
Latvia	1	8	1
Lithuania	2	6	3
Poland	8	5	6
Czech Rep.	6	1	8
Slovakia	4	4	4
Hungary	3	2	5
Slovenia	5	3	7

Source: ECS 2009, author's calculation

The employee representatives were not given the exact same questions in the survey. Thus, it is not possible to compare the views of the management and the ER at a single workplace on the same issues. However, the ECS still provides enough questions to analyse the ER's views of the industrial relations climate. Table 3 displays the ranking of the sample countries based on the ER's answers to the questions focusing on labour-management relations in the individual firms. Employee representatives were asked whether: the managers make sincere efforts to solve common problems together with ER; the information provided by management is normally sufficiently detailed; and the information being shared is confidential.

Similarly to the management answers, the picture of the ER's evaluation of the labour-management relations is also not clear. Latvia has the largest proportion of the ER claiming that management and ER make sincere efforts to solve common problems. On the other hand, the proportion of ER receiving sufficiently detailed information from management in Latvia is the second smallest.

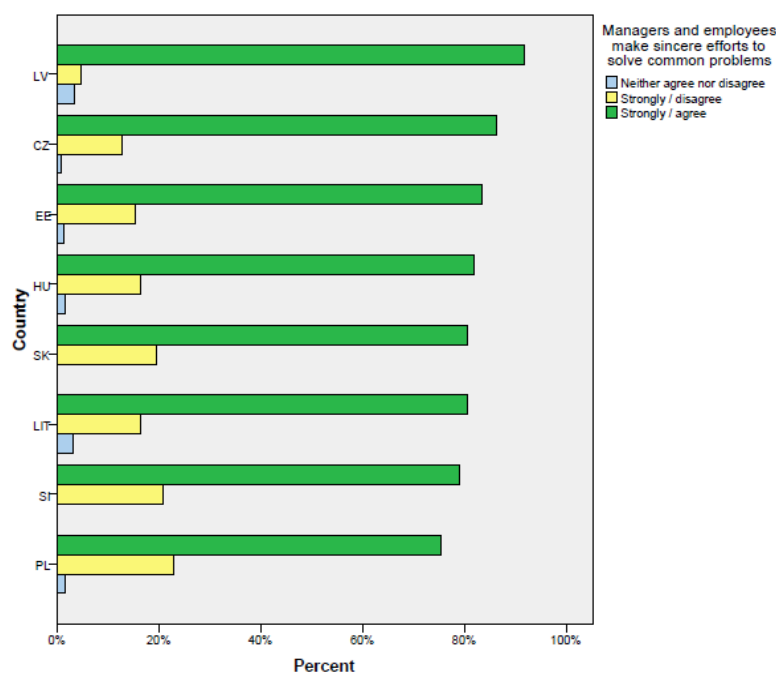


**Table 3: Rank of countries according to experience-based answers of employee representatives**

Country	Managers and ER make sincere efforts to solve common problems	Business information provided by employer is confidential	Disclosed business information normally sufficiently detailed
Estonia	3	1	5
Latvia	1	4	7
Lithuania	6	7	6
Poland	8	3	8
Czech Rep.	2	5	4
Slovakia	5	2	1
Hungary	4	6	2
Slovenia	7	8	3

Source: ECS 2009, author's calculation

Poland represents an interesting case. The ER there indicate that the business information is quite often confidential. However, the proportion of ER who consider the information to be sufficiently detailed, as well as the proportion of ER claiming that the management and ER make sincere efforts to solve common problems, is the smallest. Slovakia seems to have the best labour-management relations in terms of both the confidentiality and level of detail of the provided information. However, it must be noted at this point that the differences in positive answers (agree and strongly agree) regarding the question in the first column of table 2 were, though statistically significant, the smallest of all questions analysed. In order to allow readers to assess the relevance of the differences, we present these proportions in graph 2.

**Graph 2: Proportion of employee representatives agreeing with the statement that management and employees make sincere efforts to solve common problems.**

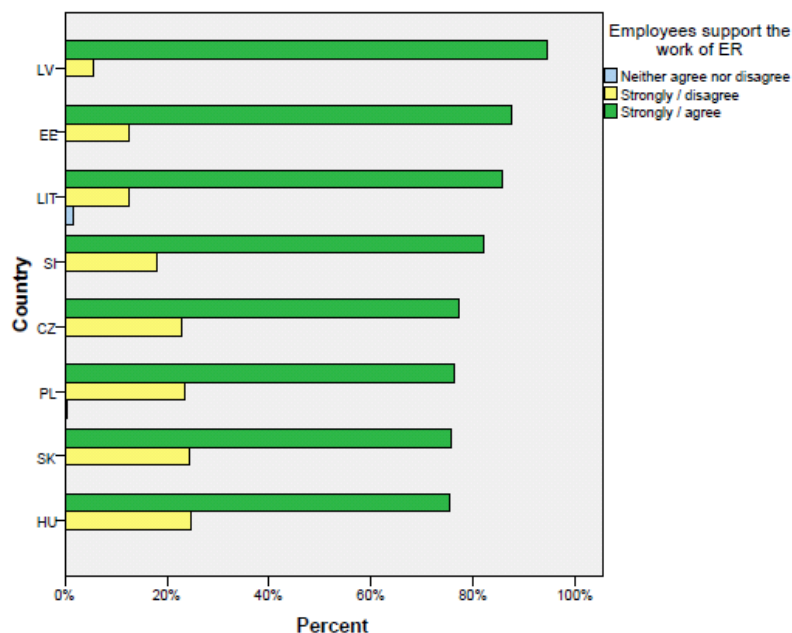
Source: ECS 2009

The final subfield of the industrial relations climate that we analysed is the relation between employees and their representatives. The ECS data provide relevant and statistically significant results for two questions. The ECS assessed the extent to which employees support the work of ER as well as the extent to which employees show an interest in the outcome of consultations with management. Graphs 3 and 4 display the distributions of the answers to these questions.

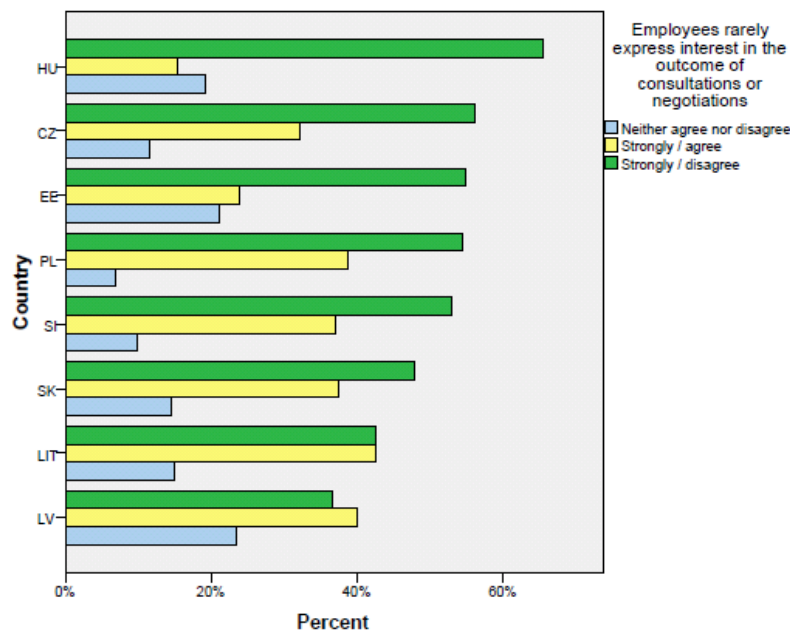
There appears to be a geographic pattern in the answers regarding employees' support for the work of the ER. The Baltic countries show a considerably larger proportion of ER who feel supported by the workforce. Slovene ER scored 4th, while the Visegrad countries are located in the lower half of the table. However, when asked a similar question with negative wording (*employees rarely express interest in the outcome of consultation negotiations*), the results differ significantly. Hungarian ER, which supposedly receive the weakest support based on the positively framed question, appear to enjoy the greatest amount of interest in their consultation outcomes of all countries sampled based on the negatively framed question. Latvia is another paradoxical case: the country has the highest level of support for the work of ER, yet the lowest amount of interest on the side of employees in negotiation outcomes. The ranking of other countries also varies with Slovenia having the most consistent score despite the fact that it is located in the middle of the ordered table.

In order to understand the differences between answers to the two questions, it is important to underline the fact that the first question was formulated in a positive tone, while the second question was framed negatively. All other answer options remained the same (from 1 [strongly agree] to 5 [strongly disagree]). A lack of attention on the part of the respondents might best explain the answer discrepancies. Moreover, a situation in which employees support their representatives and are not interested in the results of their work (or vice versa), although certainly possible, does not seem very likely.

**Graph 3: Employees' support of ER work**



Source: ECS 2009, Author's calculation

**Graph 4: Employees' interest in consultation outcomes**

Source: ECS 2009, Author's calculation

Based on the analyses of the questions regarding the experience of management and ER, one might conclude that there is no clear pattern of industrial relations climate across the countries. The Baltic countries do not systematically score the lowest rank on our "consensual-to-conflictual" scale; nor do the countries of Central Europe or Slovenia, which should represent a distinctive type of industrial relations according to the VoC theory.

## Conclusion

Coordination between employers and trade unions has a long history in Europe. Some scholars have studied the coordination of the social partners at the national level, while others investigated the relations between the two in individual firms. This study analysed the potential link between the industrial relations on national level, as described by the Varieties of Capitalism theory, and the actual industrial relations climate based on survey data. The aim of the research was to investigate whether the VoC theory has predictive power as well as whether it tells us something about the labour-management relations at the workplace.

Using the 2009 European Company Survey, this paper analysed several answers related to labour-management relations and grouped the results into several subfields. The sample countries were ranked according to the extent to which their industrial relations climates were consensual. As the results showed, neither subfield of the industrial relations climate revealed a systematic pattern that would fall under VoC predictions. Nor did any country score systematically high or low across different subfields of industrial relations climate. On the contrary, the results presented in the previous sections indicate a considerably blurry picture of labour-management relations at the workplace.

Several partial results were particularly interesting and are worth mentioning. Regarding the attitudes in labour-management relations, the Baltic countries tend to show a systematic inclination toward the conflictual industrial relations climate. Latvia, especially, scored the lowest on the perception of the relations as hostile, while Latvian managers prefer to avoid ER in consultations more so than in any other country. The former countries of Czechoslovakia also scored very low on the perception of hostile workplace relations, which indicates conflictual attitudes. On the other hand, answers based on the actual experience in

companies do not show a regional pattern, even when analysed separately for management and employee representation. Another interesting fact is that Slovakia seems to have the best relations when it comes to employers providing ER with information.

As the industrial relations climate is focused on the perceptions of the labour-management relations, actual practices may differ. This is the case in Central and Eastern Europe. Based on only the questions about attitudes, the supposedly liberal Baltic economies scored systematically lower than others. Hence, one might conclude that the VoC analysis of national institutions can, to a considerable extent, predict attitudes at the workplace. However, when it comes to answers based on the real practices in firms, the VoC approach has little predicative power. Reasons for this might be different depending on the country. In certain cases it might be the national legislature that forces employees and employers to cooperate. Also, the real power of trade unions in the post-communist countries might influence the ability of trade unions to behave in a conflictual way, especially if the member base is not strong enough. Finally, a further possible explanation is that the negative attitudes of employers are channelled mainly through union avoidance; once the shop floor unions emerge, however, management will cooperate in order to lower the uncertainty and costs caused by hostile behaviour. In order to shed more light on labour-management relations on the micro-level, future research should focus on union avoidance practices in Central and Eastern Europe.

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