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Abstract
In this article we examine the industrial relations practices of three large European food retailers when they transfer the hypermarket format to other countries. We ask, first, how industrial relations in hypermarkets differ from those in other food retailing outlets. Second, we examine how far the approach characteristic of each company's country-of-origin (Germany, France and the UK) shapes the practices adopted elsewhere. Third, we ask how they respond to the specific industrial relations systems of each host country (Turkey, Poland, Ireland and Spain).

Keywords
Comparative industrial relations, Germany, France, hypermarkets, Ireland, multinational companies, Poland, Spain, Turkey, UK

Introduction

The influence of large and frequently multinational food retailers on employment relations and working conditions in European societies is increasing. Our analysis focuses on three of the world's leading multinational food retailers, who are among the biggest in Europe but have received far less attention than Wal-Mart in the USA. Carrefour (France), Tesco (UK) and Metro (Germany) are among the top four global retailers. They have grown domestically by mergers and acquisitions and the crowding out of smaller retailers; Tesco and Carrefour are now the largest private sector employers in their home countries. At the same time, these companies have engaged in rapid internationalization over the last two decades, setting up stores all over the world (Wortmann, 2011). Frequently these are hypermarkets: very large-surface self-service stores, usually out-of-town, selling a wide range of both food and non-food goods. Definitions vary from a minimum sales space of 2500 m² to 5000 m²; the largest stores have slightly over 20,000 m². In terms of annual sales, they also vary greatly: an average hypermarket in France takes about €100 million, Germany only about €25 million. British hypermarkets rank somewhere in between.

In this study we compare the industrial relations practices of the three companies in four European host countries. In doing so we draw on a conceptual approach frequently applied to investigate human resource management (HRM) and industrial relations in foreign subsidiaries of multinational companies (MNCs) (Ferner, 1997). Such operations are assumed to be influenced by both home-country effects (the institutions of the country of origin) and host-country effects (those of the country of operation). National institutional differences may be understood in terms of varieties of capitalism theory (Hall and Soskice, 2001), which distinguishes between coordinated and liberal market economies (CMEs and LMEs), or of the national business systems approach (Whitley, 1999).

International comparative analysis of low-wage industries (Gautié and Schmitt, 2010) has demonstrated that the employment models dominant in these industries differ fundamentally from those found in manufacturing. Carré et al. (2010), in a study of the retail industry across six countries, sees this as a typical low-wage and low-skill sector which is at the forefront of a process of deterioration in working conditions and employment relations. They identify a growing trend towards the fragmentation of compensation and

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working hours: 'the retail industry has been a leader in such fragmentation and in experimentation with non-standard hours, segmented work arrangements, and a variety of other exit options from the institutions that safeguard job quality' (Carré et al., 2010: 260).

Below we first outline the theoretical concepts that have informed our analysis, then outline our methodology and the three companies studied. We summarize the main findings from our study of industrial relations in their home countries, followed by those from four host countries in which they operate. Finally we draw some general conclusions based on our cross-country comparisons.

The role of sector-specificity and internationalization format

Comparative studies of international retailing have frequently indicated that work and employment relations are sector-specific and differ significantly from those in manufacturing firms. Retailing generally involves a (relatively) high share of female employment and of part-time work and low wages, even though there are some differences across countries (Askenazy et al., 2008; Carré et al., 2010). Retailing is also marked by low union density (Dribbusch, 2005) and a lower coverage of collective agreements compared to manufacturing. In Germany, some of the biggest retailers are 'hard discounters' like Lidl and Aldi, which offer a limited range of cut-price groceries in relatively small outlets. These companies, which clearly deviate from key features of German industrial relations and have been severely criticized for their anti-union behaviour (Hamann and Giese, 2004), have gained significant influence in the international food retailing sector, reinforcing the trend towards more precarious work and employment (Artus, 2008).

We argue, however, that it is dangerous to generalize from such companies to retailing in general. Whilst the Lidl and Aldi business model involves precarious work and employment conditions, partly because organizing unions is very difficult in smaller retail establishments, larger stores or warehouses may be different. We focus on the three European food retail MNCs identified above. Even though they now describe themselves as multi-format companies (Burt et al., 2008), it can be argued that the hypermarket format is, and has been, the core of their internationalization success. Whilst studies in international retailing often recognize the role of format effects in terms of the efficiency and success of international expansion (Burt et al., 2008), they often neglect the impact of format type on work and employment relations. Comparisons of work, employment and industrial relations, on the other hand, often neglect the role of different retailing formats when diagnosing the weakening of labour and employment relations in retailing (Gautié and Schmitt, 2010).

Why should the hypermarket format affect industrial relations? Size matters: individual hypermarkets frequently have several hundred employees (in our sample the number ranged from 150 to 800). We therefore expect quite different results in the retail sub-sector segment of hypermarkets, especially when it comes to organization: in larger establishments, management is more likely to perceive a need for some form of indirect workforce participation mechanism, while trade unions find it easier to recruit (Dribbusch,

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2005). We argue that the size of both workforce and investment are crucial for the successful operation of hypermarkets, both domestically and internationally. Accordingly, we believe that size will moderate sector-specific trends towards the weakening of industrial relations features such as trade union representation and the negative influence on wages and working conditions. Thus we expect a sub-sector effect on industrial relations related to the size and importance of hypermarket stores, domestically and abroad.

Hence in our cross-national comparison we expect to find a sub-sector effect, which will differ from a general downward trend in work and employment conditions in retailing. In the next section we discuss the home-country effects in this industry sector, and issues involved when MNCs transfer the hypermarket format elsewhere. We also consider whether sectoral effects might override national typologies.

Research questions and methods

Home-country, host-country and sub-sector influences

There is a broad literature on HRM practices in MNCs. Studies by Almond et al. (2005) and Ferner (1997) show that MNCs develop their preferred mode of operation in their home country, where they are highly influenced by the institutional environment. When internationalizing, they are then inclined to transfer this model to their host countries: a home-country effect. Yet where the host-country institutional environment is very different, this may force foreign subsidiaries to adopt localized management and HRM practices: a host-country effect.

Whilst MNCs with headquarters in LMEs like the USA and the UK tend to transfer practices from the home country to the subsidiaries (Almond et al., 2005), those from CMEs are more likely to transfer work organization and production-related aspects of their business models rather than specific industrial and employment relations features, either because these are seen as highly context-specific or because they would increase labour costs in the host countries (Edwards, 2004). However, given the large size and with it the bigger financial and commercial commitments of retail MNCs, especially when operating large hypermarkets abroad, it is an open question how far they will adapt to local economic and institutional environments or standardize globally. Burt et al. (2008) find increasing attempts by all food retail MNCs to standardize certain aspects of the supply chain and estate management. This may also affect aspects of industrial relations management where practices are seen as crucial for their effective operation as a business.

Host-country institutions such as the educational, financial and industrial relations systems and labour market regulations may operate as ‘constraints’ and ‘barriers’ to the transfer of home-country models: empirical research has shown how MNCs often have to adapt their production models (Djelic, 2001), HRM practices (Almond et al., 2005), work organization and work systems (Geppert et al., 2003) and employment practices (Edwards, 2004) to local institutions. The strength of this host-country effect varies between countries: those with dense employment and industrial relation frameworks, like Germany, can provide ‘robust tools kits’ for local managers and employee representatives to promote local interests (Williams and Geppert, 2011). On the other hand, studies in LMEs, where institutional environments are much more permissive, have

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found that MNCs have scope for strategic choice, especially when transferring industrial relations practices (Dörrenbächer, 2004).

This leads to another important question: how do international food retailers respond to host-country industrial relations systems, such as regulations on employee representation, collective agreements and trade union strength, and do they try to control certain aspects employment and industrial relations issues in order to keep local unions in check or even exclude them? The latter approach would fit into a global trend of not just reacting and adapting to host-country environments but seeking to leverage cross-national and global synergies by standardizing elements of their supply chains, for instance (Burt et al., 2008). We investigate whether this affects industrial relations in their subsidiaries. For example, Tilly (2007: 1823) found that Wal-Mart, a company which also internationalizes by transferring its hypermarket format, 'does not necessarily bring the same package of characteristics (such as low wages, opposition to unions, and low prices) everywhere it goes'. Accordingly, we expect that local adaptations of industrial relations in the hypermarket format to host-country industrial relations systems will vary; there may be efforts to shape industrial relations in order to control local work and employment relations abroad.

Research design

We draw on findings from a broader research project, undertaken between 2010 and 2013, which included a comparative focus on three MNCs operating the hypermarket format (Metro-Real, Carrefour and Tesco). The research was conducted by a team of researchers working in six European countries: Germany, Ireland, Poland, Spain, Turkey and the UK. In addition, one member of the research team had the specific task of collecting data on Carrefour and in France, analysing country and company data and undertaking expert interviews. One important objective was to compare industrial relations in hypermarkets in four host countries: Turkey, Poland, Ireland and Spain. None of these has so far been at the centre of mainstream research on the transfer of industrial relations practices.

The data on which this article is based were collected through documentary analysis of country, sector and company information and through semi-structured interviews with managers, employees, works councillors and union officials in all seven countries. A total of 139 interviews were conducted, taking on average 60 minutes, and transcribed. All empirical material and data were systematically collected and interpreted by locally based researchers who speak the native language, if required, and finally compared across countries during four team meetings. A key aim of these meetings was to develop templates for company and country case studies, based on a comprehensive review of the literature in the field. These templates guided data selection and were systematically applied when analysing cases across countries and companies.

Industrial relations in the three home countries

In this section we first illustrate how each of the three MNCs fits into its home-country industrial relations system by comparing whether and how far industrial relations in the

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hypermarkets segment of our three MNCs differs from the typical features of the overall national industrial relations system.

Carrefour, the French company in our study, invented the hypermarket format in 1963 (Lhermie, 2003). Metro-Real, the German company, is the result of a consolidation of various smaller hypermarket chains within one Group. Tesco, the British company, developed the hypermarket format only in the late 1990s, simultaneously in its home market and several markets in Eastern Europe (Wortmann, 2011).

Carrefour

Industrial relations in France reflect extensive state involvement in economic affairs (Whitley, 1999). Companies are legally obliged to organize elections for works committees (*comités d'entreprise*), which gives trade unions a platform despite low membership density (Bamber et al., 2011). In retail, union density is even lower than the national average, reaching only 2 percent. There is strong competition between rival unions in the workplace elections. In the retail sector 'independent' lists of non-unionized workers, some of whom are directly linked to the company's management, are frequently more important than the representative unions, especially where none of the national trade unions have elected delegates (Askenazy et al., 2008: 222). In the retail sector, strikes are rare and only in 2008 were the three major unions, *Force ouvrière* (FO), *Confédération française démocratique du travail* (CFDT) and *Confédération générale du travail* (CGT) able to organize joint country-wide industrial action in the hypermarkets (Bennett, 2008). There is a collective agreement for the retail sector which is made legally binding for all companies in the sector. This agreement gives employees the right to receive a contract with at least 26 hours per week from their employer upon request, but is quite irrelevant with regard to wages. For many companies, including large numbers of independents and franchisees, it is the minimum wage prescribed by the state (*salaire minimum interprofessionnel de croissance*, SMIC) and not the collective agreement that sets the standard for employees.

In Carrefour there are elected trade union delegates in nearly all hypermarkets, and the vast majority of the works committee members belong to one of the national unions, FO being the strongest. The position of the unions vis-à-vis the company is relatively strong, especially as French laws on industrial action provide safeguards for some militancy. In the case of hypermarkets this has allowed striking workers to cause serious disruption, for example by blocking customer car parks. Despite considerable rivalry between the unions, they have been able to negotiate collective agreements in the company's hypermarket operations which contain better conditions concerning wages, social insurance and working time regulation than the national agreement, and also than most other company agreements, including that for Carrefour supermarkets. For example, hypermarket workers have a right to a contract of at least 30 hours per week; since 35 hours represents a full-time contract in France, this renders impracticable the frequent practice of retailers to use overtime allocation to part-time workers as an instrument of reward and control. Thus Carrefour has a stronger union presence than would be expected in the retail sector, and this has led to employment conditions which exceed state regulations and national industry agreements for the sector.

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Metro-Real

In Germany, there is a dual structure of statutory works councils (*Betriebsräte*) with extensive rights to regulate the organization of work but subject to a peace obligation, and sectoral collective agreements negotiated by trade unions. Collective bargaining in the retail sector has become highly concentrated, following the merger to form the conglomerate service sector union *ver.di* in 2001. On the employers' side, there was a merger in 2002 to form *Handelsverband Deutschland* (HDE), and a competing association dissolved in 2009. The sectoral collective agreement, comprising several very similar regional agreements covers about 51 percent of the workers in the West German retail sector (East Germany: 28%) and only 2 percent (5%) are covered by a company agreement. This is lower than in manufacturing where 56 percent (25%) are covered by sectoral and 11 percent (13%) by company agreements. However, only a few companies in the retail sector comply fully with all the regulations laid down in the collective agreement, for example concerning the payment of *Minijobbers* (those working very short part-time hours). An even greater difference appears if we compare employees working in establishments with works council representation: in German manufacturing this is 66 percent, but in the trade sector (including retailing and wholesale) it is only 31 percent (Ellguth and Kohaut, 2011).

There are works councils in all Metro-Real stores, a joint works council for the whole group and additional inter-establishment works councils (based on a company agreement) at an intermediate level. The latter used to be set up at regional level, but recently the focus has moved more to a more local level where representatives from three to four stores meet every six to eight weeks. Worker and trade union representation on the supervisory boards (*Mitbestimmung*) is also fully established. In terms of collective bargaining, organized workers from many Metro-Real stores are at the forefront of industrial action in the retail sector, although there are differences between stores which are rooted in the distinct histories of the different merged companies. Metro-Real is one of the very few retailers that fully apply the collective agreement, including the full payment of *Minijobbers*. Experiments to operate outside the collective agreement with one or two stores that were transferred to a separate subsidiary company, including the first store to open until midnight, were short-lived and were terminated in 2008.

Tesco

In the UK, as in other LMEs, the industrial relations system is rather weakly institutionalized with a low level of labour rights, particularly collective employee rights, low coverage of collective bargaining and declining trade union membership, particularly in the private sector (Godard, 2002). However, the trade union with a dominant position in the retail sector, USDAW (Union of Shop, Distributive and Allied Workers), has long adopted a form of 'business unionism', combining a rather conservative political stance with an interest in developing cooperative relations with employers (Lynch et al., 2011). A focus of its organizing activities has been the country's leading food retailers: Tesco, Sainsbury's, Morrisons and the Co-op (while Asda is organized by the GMB general union). Smaller retailers, including the foreign hard discounters, have received much less

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attention from USDAW because of the perceived high cost and uncertain outcomes of organizing campaigns in small units with anti-union management.

USDAW was the only union recognized by Tesco as representing workers in its stores when in 1997 the company demanded concessions regarding flexibility and bonuses, and pressed for a partnership agreement. The membership supported this in a ballot (Blyton and Turnbull, 2004). The agreement includes support for trade union membership during employee induction and deduction of union subscriptions from wages, helping the union to grow significantly and steadily (from 310,000 in 2000 to 430,000 today). A third of its members work for Tesco, while two-thirds of its employees are organized by the union. USDAW has set up a special branch for Tesco managers and directors, with a membership density of about 20 percent.

The partnership agreement has provided a basis for some collective labour rights which are lacking in the UK industrial relations context. Moreover, the partnership model was described in our interviews as a measure which provides 'stability' and 'top end' wages for store employees in British food retailing, a stable basis for international expansion. Both management and union interviewees stressed that there have been no strikes so far, and they did not anticipate any in the near future. The partnership agreement is operated on the basis of employee forums at store, regional and national levels. Delegates are elected by all employees and many are union members; overall there are more than 1600 employee representatives across the company (DTI, 2007). Interviewees on both sides stressed that the agreement helps in improving working conditions, training and career opportunities, salaries and bonuses for staff, and that these are better than at other food retailers. However, changes to working conditions within the partnership framework have created a two-tier workforce: a dwindling number of employees on the old contracts and a growing number on new, less advantageous contracts. Newly recruited employees have reduced benefits with regard to sickness, overtime and especially Sunday payments.

Comparative discussion

Carrefour and Metro-Real reflect many features of their wider home-country industrial relations context. Carrefour has the most comprehensive regulation of working hours, an issue which fits with the importance of governmental regulation in state-organized capitalist societies like France. However, the company not only applies but exceeds the terms of national collective agreements for their sector as well as complying with legislation such as the SMIC. Metro-Real also complies fully with the terms of collective agreements and the works council legislation. Tesco, unlike other food retail hypermarket operators in the UK, has adopted a partnership agreement with USDAW leading to relatively high union density and extensive trade union facilities. The low level of industrial relations regulation in the UK permits extensive corporate and union experimentation with different models of industrial relations.

Whilst industrial relations in Carrefour and Metro-Real reflect, and in some areas exceed, statutory requirements and national collective agreements, Tesco, operating in a weakly regulated industrial relations environment, has developed its own corporate model which mirrors many of the features of its continental rivals. The possible impact

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of a size effect was indicated earlier: hypermarket establishments are as large as many manufacturing plants, and this can encourage formal systems of employee representation (Dribbusch, 2005). Carrefour and Metro-Real were national pioneers in the hypermarket segment, followed by Tesco, which adopted this model when it began internationalizing; and all three have a long tradition of operating with collective representation. Tesco plays a unique role compared to its UK rivals in that it has the most extensive agreement with a trade union. This could be linked to its corporate history of relations with USDAW and its internationalizing strategy, which is not found among its national rivals. The striking similarities between all three companies, which are all at the high end of the sector in terms of pay and conditions as well as workforce representation, could reflect both a sector and format effect. There is evidence that Tesco also extends these conditions to its other formats such as supermarkets and convenience stores. However, the analysis of such spill-over effects goes beyond the scope of the current article.

The three companies have more in common with many larger manufacturing companies than with many of their smaller retail competitors (Artus, 2008). Although the strength of trade unions in these companies is lower than has traditionally been the case in manufacturing, the effects of globalization and coercive international comparisons, which have led to a weakening of trade union influence and a decline in wages and working conditions in the manufacturing sector, have been less marked as food retail services and jobs cannot be outsourced to other countries.

Industrial relations in four host countries

In this section we describe briefly the four host-country industrial relations systems, and describe the industrial relations features adopted in the hypermarkets established by the three companies. This enables us to compare their practices both with their home-country models and with those characteristic of the host countries. All three companies have subsidiaries in Poland and Turkey, but only Tesco in Ireland and Carrefour in Spain.

Ireland

The Irish industrial relations system was traditionally voluntarist and adversarial; but from the late 1980s the relatively strong trade union movement, represented by the Irish Congress of Trade Unions (ICTU), agreed a series of national tripartite social pacts. These set a loose framework for company partnership agreements, especially from the late 1990s (Roche, 2007); several companies, including many foreign MNCs, adopted such agreements.

Industrial relations in Tesco's operations in Ireland reflect elements of the broader Irish context, with a stronger trade union role than in the UK. When Tesco took over Quinnsworth in 1996, its stores were highly unionized. The company has a membership agreement with two unions, Mandate and SIPTU (Services, Industrial, Professional and Technical Union), although the latter is represented in only a small number of stores. In addition, Tesco introduced the deduction of union subscriptions from pay, as in the UK. Today, Mandate has a very high membership in the company, constituting about one quarter of all its members. There is a well-entrenched network of shop stewards and

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union activists, and industrial relations have been quite adversarial; for example, 10,000 employees took part in the one-day stoppage in 2001. In 2005 the firm signed a partnership agreement with Mandate and SIPTU and set up its own customized consultation structures, similar to those in the UK. But in Ireland, employee delegates are always trade union representatives and collective bargaining has not been integrated into the employee forum structure because of union opposition.

Poland

In post-socialist Poland, like other Central and Eastern European countries, governments have attempted to attract MNCs and other forms of private capital to replace the former state-owned companies. The regulation of industrial relations has been liberalized. Trade unionism in the private sector is dominated by two national organizations, *Solidarność* and OPZZ (*Ogólnopolskie Porozumienie Związków Zawodowych*), both of which have national sectoral units as well as cross-sector regional structures. The absence of sectoral structures at regional or local level, however, means a serious lack of coordination at establishment or company level. Unions can be established by a minimum of ten employees, and there are over 7000 in total (ETUI, 2010). In order to gain representative status they must organize at least 10 percent of the employees of the establishment or company and belong to a representative national confederation. Works council legislation was introduced only in response to the 2002 EU Information and Consultation Directive: a council must be established on the request of 10 percent of the employees. In the retail sector there is no sectoral collective agreement, and union density stands at an estimated 12 percent (ETUI, 2010). In this permissive context, the forms of trade union representation in the subsidiaries varied considerably between the three companies.

In Carrefour, *Solidarność* has created a supra-store union with representatives from around 30 stores and, additionally, four single-store unions. Altogether, less than half the hypermarkets have trade union representation. Three works councils have also been formed. In 2002 the union signed a cooperation agreement with the company, intended as a first step towards a collective agreement which has not yet been realized.

Metro-Real opened its first Polish store, in Szczecin, in 1997, and *Solidarność* soon established a trade union there. The company expanded to over 50 stores, 37 of which had *Solidarność* representation and two OPZZ. Works councils were also established. Unlike other foreign retailers in the country, Metro-Real operated its Polish stores as formally separate companies, a structure which supported store egoism and hampered coordination between local unions. In this way it took advantage of the decentralized form of interest representation and the absence of inter-store structures, and did not negotiate a collective agreement. This enabled the company to exert pressure to extract concessions, especially from employees at weakly performing stores. Metro-Real has, however, recently divested its Polish and other East European operations.

Tesco signed a partnership agreement with a company trade union belonging to *Solidarność* (with support from USDAW) in 2002, which was renewed for an unlimited period in 2005. There are no separate unions at store level but sub-sections of the

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company union. Aside from *Solidarność*, there are four more unions in the network but all are present in only one outlet respectively. Given the weakness of the unions, no collective agreement is in place. Tesco has, however, transferred its concept of employee forums to Poland, with store representatives elected by all employees. Since January 2011 the company has also run a pilot programme at two stores whereby new employees are given positive information about union membership during induction. According to the unions, the results have been promising, so they may request that the programme be continued and extended to a larger number of outlets.

The permissive Polish industrial relations context, with a highly decentralized trade union structure, has thus resulted in a variety of representation forms in the subsidiaries. As yet there are no company-level collective agreements but there are early signs of cross-store cooperation within Carrefour and Metro-Real.

Spain

In Spain the state plays a significant role in a politicized and conflictual industrial relations system, with low union density. However, in the large-surface retail sector a special situation prevails, indicating a permissive environment despite the strong state role. Two 'yellow' unions – organizations created by the employer and working closely to the company's agenda, rather than acting as independent representatives of the employees – dominate industrial relations in the hypermarkets. This situation is unknown in other sectors, including smaller stores like hard discounters.

Spanish retailing conserved a traditional structure well into the 1970s, and department stores, especially those of *El Corte Inglés*, were the dominant modern retail format. With the end of the Franco regime and economic liberalization, foreign investors, starting with Carrefour in 1973 followed by many other foreign retailers, triggered a dramatic change of retailing within a decade. As trade unions began to reorganize after Franco, *El Corte Inglés* set up two yellow unions, *Federación de Asociaciones Sindicales* (FASGA) and *Federación de Trabajadores Independientes de Comercio* (FETICO), pushing the two big national unions, *Unión General de Trabajadores* (UGT) and *Comisiones Obreras* (CCOO), into a minority position (Royle and Ortiz, 2009). At the last works council elections in 2010 the two yellow unions gained about two-thirds of the seats in Carrefour hypermarkets. During these (and previous) elections claims of harassment and intimidation of supporters of UGT and CCOO were made to UNI Commerce, the European retail union federation. Carrefour joined the *Asociación de Grandes Empresas de Distribución* (ANGED) in 1978; the applicable collective agreement is signed by ANGED, FETICO and FASGA. Both CCOO and UGT refused to sign this agreement, criticizing elements such as working time deregulation, sick leave payments, pregnancy regulations and general wage levels (Royle and Ortiz, 2009).

Carrefour's operations in Spain thus follow the specific pattern of the large-surface retail sector, which favours the non-independent unions. There may also be some links back to Carrefour's home-country context where, as mentioned earlier, 'independent' lists of non-unionized workers, some directly linked to management, are often more important than representative unions in the wider retail sector though not in Carrefour's own French operations.

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Turkey

In Turkey the state plays a central role in industrial relations. There is highly restrictive legislation, which sets a high threshold for union certification (Uçkan, 2007). A union must not only organize at least 10 percent of all employees in a (broadly defined) sector, but also at least 50 percent in a company in order to gain recognition. Although employers are informed about workers' union membership and trade unionists are not protected against harassment or dismissal, organizing campaigns by Turkish unions have in many cases met this high threshold, especially in larger establishments, including hypermarkets. The union then must apply for authorization by the Labour Ministry. Employers, however, may appeal to the courts, which can suspend the authorization for up to two years. All bargaining is on a company basis and there is no employers' association in the retail industry. *Tez-Koop-İş*, the biggest Turkish trade union in this sector and viewed as secular and non-communist, organized the workers in all three MNCs.

In Carrefour, *Tez-Koop-İş* began its organizing campaign in 2003. In 2005, when 2600 out of 3570 workers had joined, the union applied for the authorization, but Carrefour appealed. After the judicial procedure had been proceeding for 13 months, Carrefour acquired a local supermarket chain, Gima, where *Tez-Koop-İş* had already signed an agreement. Following appeals from UNI Commerce to the Carrefour head office in Paris, the company withdrew the appeal and recognized *Tez-Koop-İş* in December 2006. A collective agreement was concluded in June 2007 and renewed in 2010.

In Metro-Real, the union campaign started in 2004 and ended in 2005 with 1480 of approximately 2000 workers organized. The company did not appeal against certification and was the first foreign retailer to recognize trade unions. In 2005 a collective agreement was signed, and a second in 2007. During the negotiations in 2010 a disagreement arose over wage increases; the union issued a strike warning, despite the employer's threat to close stores, but a new collective agreement was signed before a stoppage took place.

In Tesco, *Tez Koop-İş* started a struggle for unionization in 2003 and was supported by both national and international labour unions. The union twice applied to the Ministry for workplace majority verification, and this was granted twice. However, Tesco twice appealed the decision, but finally reached an agreement to recognize the union in August 2012.

Tesco is the only multinational retailer operating hypermarkets in Turkey that has not yet signed a collective agreement. But the company has set up employee forums at store, regional and national levels, as in its home country. Interviewed workers claim that forum representatives are mostly elected from amongst workers who will not question management prerogatives, and are therefore unable to represent workers' interests or challenge management in an effective way.

The Turkish context has clearly shaped the development of industrial relations in all three companies, with the main Turkish retail union now represented after following the legislative route to recognition and collective bargaining rights.

Comparative discussion

The host-country environments investigated show varying degrees of permissiveness in terms of the industrial relations model the companies can develop; and there are

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differences between them in the way they operate in their subsidiaries. These result from the interplay between the companies' different industrial relations systems based in their home country, and the level of adaptation to the host-country context. Metro-Real, which has firmly established relationships with trade unions and works councils in Germany, has been relatively open to trade union representation in its subsidiaries. However, in Poland it promoted the fragmentation of trade unions in the majority of its stores with its decentralized company organization. Carrefour, coming from a background of more adversarial relationships with trade unions in France, at first opposed trade union authorization/recognition in Turkey, but finally conceded and has also signed a collective agreement. In Poland, trade union representation covers less than half of its 80-plus stores. Finally, in Spain it has set up works councils, which it is obliged to do by law (as in its home country). However, the company collaborates with the two yellow unions that dominate the sector. It is in Tesco where industrial relations in its home country and three host countries show the most striking similarities. In all cases it has attempted to transfer key elements from its domestic model, but with different implications given the different host industrial relations contexts: while in Ireland the unions have retained a strong representation in the forums, these have been used as a substitute for union recognition in Turkey and in Poland there is as yet no collective agreement although the union is part of the forum process.

Carrefour and Metro-Real originate in less permissive home-country industrial relations environments and have thus had less scope and incentive to develop strong corporate models of industrial relations there. Their industrial relations models, being rooted in highly institutionalized systems of legislation and sectoral collective agreements, cannot easily be transferred to subsidiaries in other countries with very different environments. There are indications that both have made use of opportunities to avoid some of the more restrictive elements of their home-country industrial relations by working with the prevailing host-country norms, especially in the highly permissive industrial relations context of Poland but also in Spain. In contrast, Tesco operates in a permissive home-country context in which it has, over years, developed its own corporate model for handling industrial relations issues. It attributes much of its success to this model and seeks actively to transfer it to new host environments, with varying degrees of success as it is often difficult to find unions which understand and have the desire to cooperate in a partnership model. Where unions are weak, as in Poland, the model is viewed as enhancing their role in the workplace. Where they are stronger, as in Ireland and Turkey, the company industrial relations model is viewed as an attempt to reduce their role.

In terms of the size and format effects promoting similarities in the companies' industrial relations approaches, all accepted the need for employee representation and involvement, although the forms this takes do vary in the different host countries.

Conclusions

Our article has drawn on current debates on the question whether MNCs transfer home-country industrial relations practices abroad or adapt to local host-country systems. These debates have traditionally focused on the manufacturing sector. In this article we have applied ideas about transfer of industrial relations practices and local adaption to

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host-country industrial relations systems to a different sector, food retailing, and also to a specific subsector, hypermarkets.

Accordingly we have asked whether country-of-origin industrial relations models, which underpin work and employment in home-country hypermarkets, are transferred abroad; if so why; and if not, why not? We found evidence confirming the broader finding (Dörrenbächer, 2004) that MNCs with headquarters in CMEs, such as France and Germany, make less attempt to transfer industrial relations practices elsewhere, as their home-country industrial relations systems are highly context-bound, whereas those with headquarters in LMEs, where the industrial relations system is more market-based and fragmented, may seek to transfer their own corporate models.

We also raised the question how our three international food retailers respond to host-country industrial relations systems of an LME type, where we expected few barriers to transfer of domestic practices to host-country industrial relations systems. This was true of Poland, but it was not as clear with Ireland. In Turkey, despite being a state-organized and more coordinated economy, there are greater barriers for unions to overcome and opportunities for employer resistance. In Spain, despite being a CME, there are some loopholes which allow companies even to develop their own preferred trade unions. This points to varying degrees of strategic option for MNCs, but the trend in all host countries is towards greater permissiveness to attract MNC investment. There is evidence of workforce representation in the subsidiaries across all three MNCs, though the form this takes varies. Thus we argue, as does Tilly (2007) in regard to Wal-Mart, that the European food retailers act in an eclectic way when adapting to local industrial relations systems. Tilly's study showed that though the American retailer is normally associated with negative practices in terms of industrial relations and employee representation, it does accept some union and employee representation in certain contexts around the world. In this article we look at European companies with very different domestic contexts, albeit where workforce representation is more accepted, even in the UK, and with investment in mainly European host countries, so similar influences apply: in general, independent workforce representative bodies and expectations by both managers and workers that these should operate. One reason for the similarities is that all three MNCs in our sample have a long history of dealing with unions in their home countries (unlike their American counterparts), well before they started to internationalize. Thus there is a historical element which needs further investigation.

We finally return to the overall question raised at the outset: what makes the industrial relations practices of European food retailing MNCs transferring the hypermarket format abroad different from other MNCs which transfer different food retailing formats, such the discounter or supermarket format? Apart from home- and host-country industrial relations influences, our study has also shown the importance of certain contingencies, such as the retailing format (in our case hypermarkets) and the organizational size of establishments (in our case large stores), which have moderating effects. An example can be seen in the establishment by all three companies in their home countries of stable industrial and employment relations mechanisms, based on indirect forms of employee involvement, despite the differences in their national institutional contexts. In all cases this went well beyond minimum sector standards. This points to sub-sector influences – the size and importance of hypermarkets in these companies'

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operations compared to the anti-union approaches of food discounter MNCs based on small store establishments. The industrial relations systems set up helped hypermarket store management to engage routinely with, and hence control more effectively, employees' needs, forestalling conflicts and ensuring smooth operations. Likewise, all three companies established indirect forms of representation in hypermarkets abroad, although the forms they took varied. On the basis of our findings we question whether there is a generalized 'Wal-Mart effect' in retailing, involving the global spread of low wage, low skill employment with fragmented working hours, as argued by Gautié and Schmitt (2010). We found support for Tilly's more nuanced view of MNC operations (2007), identifying some adaptation to different host contexts to further company objectives. In particular, all our companies were keen to comply with the law and not be seen to transgress local norms, although Carrefour has thus far resisted international protests that its approach in Spain conflicts with the International Framework Agreements it has signed.

Last but not least, we would reiterate that the size and importance of the hypermarket sub-sector in terms of employment and investment make it more likely that employers will show similarities in their industrial relations practices to other large manufacturing companies in the home country, and also promote similarities in practices which override differences between CMEs and LMEs. This is an issue which needs further research, but our study shows evidence of the influence of local unions in the large European hypermarket stores investigated, despite often high levels of part-time, female employment and the weaker position of unions in the retailing sector in general. However, there is counter-evidence in another sub-segment of international food retailers, who transfer the hard discounter format abroad, of limited opportunities for unions to have influence at store level. In this case, unions seem to have much weaker tools and changes to this subsector would require further national and transnational industrial relations regulation to permit more influence on work and employment relations in these types of stores (Artus, 2008). National industrial relations systems in Europe, including trade union policies and practices, have been developed predominantly for large establishments, whether in the manufacturing or retail sectors of the national economy.

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