



NETWORKED COORDINATION OF INDUSTRIAL RELATIONS

THE ROLE OF SOCIAL NETWORKS IN COLLECTIVE BARGAINING

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This policy brief constitutes a deliverable of the [NETWIR project – Networked Coordination of Industrial Relations](#)

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Paper available at: <https://ddd.uab.cat/record/232017>

This project has received funding from the European Commission, DG Employment, Social Affairs and Inclusion under Agreement No VS/2018/0023.

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INTRODUCTION

The analysis of collective bargaining coordination has attracted the attention of scholars and policymakers since the early 1990s, but has witnessed a renaissance more recently in the context of generalised de-centralization of collective bargaining (CB). Originally, coordination was presented as a dimension of CB considered alternative to centralization, as it focused on processes rather than structures. However, the reality was that all coordination indexes and scores made so far have tended to reflect structural characteristics of collective bargaining and have provided very little insights on the processes and relational aspects underpinning coordination.

In this way, most studies have paid attention to the level where coordination occurs, assuming a correspondence between formal roles across levels and actors, resulting in limited knowledge about the actual mechanisms that industrial relations actors deploy in order to solve coordination problems.

SCOPE OF PROJECT

A RELATIONAL VIEW OF INDUSTRIAL RELATIONS

The objective of the NETWIR project is to provide an alternative assessment of how coordination takes places in different collective bargaining systems and sectors.

To do so, the project adopts a behavioural and relational view based on the methodological and analytical tools of Social Network Analysis (SNA). The relational approach to collective bargaining implemented through social network analysis tools allows studying the role of informality, trust and actors' perceptions and power in the bargaining process. In order to enhance the theoretical relevance of the project, a comparative approach has been adopted, including the analysis of two sectors (retail and pharmaceuticals) in four countries (Italy, Ireland, Netherlands and Spain) belonging to different industrial relations models.

SOCIAL NETWORK ANALYSIS AND COLLECTIVE BARGAINING COORDINATION

The NETWIR project aims to allow social partners to achieve a better knowledge of how coordination takes place in their respective countries and sectors, drawing some policy lessons about potential mechanisms to facilitate reaching an agreement. In that sense, it has served to highlight different relational logics across the countries and sectors compared. Bargaining processes in the four countries have different characteristics in terms of the actors involved, the number of events, the formality of interactions, etc. Despite these differences, some common sectoral logics can be found, therefore pointing to the importance of the sectoral context (including the type of company, the competitive logics, and skills level, among other issues).

Moreover, it has also showed the existence of different types of obstacles in bargaining processes across the countries and sectors analysed, including the fragmentation in the actors involved in collective bargaining. Results also show the existence of different network configurations facilitating reaching an agreement. In those cases where density of interactions is very high, i.e., actors establish many interactions with other actors in the network, we observe more dispersed power and trust relations are more easily established, therefore paving the way to reaching an agreement. By contrast, the concentration of power in some actors in the network has an ambiguous effect. In some cases, it is perceived as facilitating factor, particularly when this is concentrated in brokering actors, but in other cases may act as a hindrance to reach consensus within the participants of the bargaining process.

SUMMARY OF RESEARCH

The objective of the NETWIR project was to implement Social Network Analysis methods and theoretical tools to the analysis of collective bargaining. It started from the premise that the adoption of relational lenses to analyse collective bargaining processes and coordination was a promising avenue to enrich our knowledge about these key dimensions of industrial relations systems. The project thus had a strong component of methodological innovation and exploration consisting in the implementation of a SNA survey, but through the comparative analysis of two sectors and four countries it also aimed at extracting theoretical insights and open new avenues for future research.

In this way, the project has made a first important contribution to existing research on industrial relations by providing first-time comparative evidence on collective

bargaining networks using SNA methodologies. These bargaining networks have been analysed using standard methodologies to a) identify the main characteristics of the network; b) compute synthetic network indicators; c) compare them across countries and sectors.

Given its strong methodological component, the project has paid particular attention to find the adequate way to use SNA to analyse collective bargaining processes. And the results must be interpreted at the light of this. The implementation of the survey among the actors participating in bargaining processes in the four countries and the two sectors selected has faced several obstacles and has delivered low response rates in some cases. The country reports contain a more detailed discussion and assessment of the implementation problems faced as well as the reasons explaining low response to the survey, being reluctance of some actors (especially employers) to provide information about relations to other actors the most important one.

RESEARCH FINDINGS

The research carried out in the context of the NETWIR project has delivered several important research outcomes and lessons for the relevant stakeholders:

- > First, the adoption of a relational approach in industrial relations using Social Network Analysis tools provides rich empirical evidence about the type of interactions, relations of power and trust in bargaining process. This evidence complements existing knowledge about the institutional mechanisms underlying coordination.
- > The project shows the importance of informal relations within the bargaining networks to reach an agreement. One of the goals of the NETWIR project was to explore the diversity of interactions taking place within bargaining processes and networks, to understand their role in achieving coordination. Specific questions were included in the survey asking actors to signal the existence of informal interactions and assess their importance compared to formal interactions. The results show an important role for informal interactions, and in some cases they are considered key by actors in the bargaining network to achieve an agreement. There are however differences across countries / sectors. As expected, informality is more important in Italy, a country whose industrial relations system is close to voluntarism. But even in the case of Spain and the Netherlands, with more formalised settings, actors perceive an important role for informality in networks.
- > The project results have also contributed to raise awareness among social partners and relevant stakeholders about the role of formal and informal relations in bargaining processes. Even in those countries where there is an intense regulation of collective bargaining processes, informality plays an important role in facilitating an agreement.

- > The results also show how beyond the institutional setting, there are important sectoral logics at play. These sectoral logics have a reflection on some of the dimensions explored through Social Network Analysis, including the size and density of networks and the intensity of interactions.
- > One of the aspects explored with SNA is the role of relational power, i.e., the power built through interactions within the bargaining network. The results show that a more active and central role in the collective bargaining network does not necessarily mean more influence. In other words, relational power (measured by centrality measures) acquired in the network does not necessarily translate into more capacity to influence outcomes. A reason for this could be the different roles of actors in the network; technical actors would be more active in the network in order to solve technical issues, whilst those actors with a political profile would only participate in the final stages of the bargaining process in order to sign the agreement and would accordingly score low in centrality measures.
- > It is nonetheless interesting to note the lack of direct correspondence between centrality indicators and perceived influence. Several explanations could be given to this fact. First, it shows that a more active and central role in the collective bargaining network does not necessarily mean more influence. In other words, relational power (measured by centrality measures) acquired in the network does not necessarily translate into more capacity to influence outcomes. A reason for this could be the different roles of actors in the network; technical actors would be more active in the network in order to solve technical issues, whilst those actors with a political profile would only participate in the final stages of the bargaining process in order to sign the agreement and would accordingly score low in centrality measures.
- > Another result of the project points to the importance of further research using Social Network Analysis to the industrial relations field. Being the first attempt at comparative analysis of bargaining processes using social network methodology to date, the research project has also served to identify additional areas where the implementation of this approach could deliver additional benefits. This includes the role of sectoral spill overs, cross-sectoral bargaining networks, the involvement of social partners in policymaking, among others.
- > From a methodological point of view, the project has also served to show the difficulties of implementing detailed network surveys, therefore pointing to further exploration and fine-tuning in the instruments used to carry out this type of analyses in future research.

POLICY RECOMMENDATIONS

Some policy recommendations can be formulated in relation to collective bargaining processes based on the results of the project:

- > First, the structure of bargaining networks has implications for the development of bargaining processes, and eventually, for reaching an agreement. The bigger number of interactions between actors together with their more frequent attendance to events of the CB process are related to the improvement of trust relations and the higher probabilities of reaching agreement. When power is more dispersed, influence and trust can only be achieved by maintaining contacts with all the actors in the network. In a situation of concentration of power, where organizational hierarchy is important, density of relations tends to be lower as trust and influence is achieved through other means.
- > Second, even in highly fragmented and decentralized bargaining settings, social partners can resort to several formal and informal mechanisms to coordinate activities both within their organisations and between them. Particularly important are intra-organizational dynamics aimed at overcoming internal fragmentation in order to facilitate reaching agreements.
- > Third, whilst trust relations in the network constitute a favourable condition for reaching agreements, an adequate division of tasks between actors with technical and political roles in the process can help to speed up the process.

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