

**The Operations and Functioning of European Works Councils:
The Case of IKEA**

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1. Company profile

IKEA is a world wide furnishing company with operations in 42 countries and a total number of 70 000 employees of which 59 000 work in Europe. It is a Swedish based company built on the idea to “offer a wide range of well-designed, functional home furnishing products at prices so low, that as many people as possible will be able to afford them”.¹ It started out in the 1940s by the entrepreneur Ingvar Kamprad², who still has control over the company through the INGKA foundation, situated in the Netherlands. The IKEA group is solely owned by the Foundation through a holding company (INGKA holding B.V). It is therefore not listed on any stock exchange.

The bulk of the operations are the retail business with 165 stores in 22 countries and a total of 75% of the employees in this area. In addition to purchasing from outside suppliers the IKEA group also produces some of its own furniture through the IKEA industrial group, Swedwood. In Europe the number of employees are distributed in the different present EU-countries as follows (In the third column the number of stores are listed and in the last column EWC-representatives are listed)³:

COUNTRY	EMPLOYEES	STORES	EWC-REP
Germany	10800	31	2
Sweden	7100	13	2
United Kingdom	6000	11	2
France	4500	13	1
The Netherlands	2800	10	1
Italy	2500	8	1
Austria	1700	5	1
Belgium	1700	4	1
Spain	1500	5	1
Norway	1400	5	1
Denmark	800	4	1
Finland	300	2	1

The picture down illustrates the organisation from an operational point of view. The legal structure differs somewhat from the operational one.

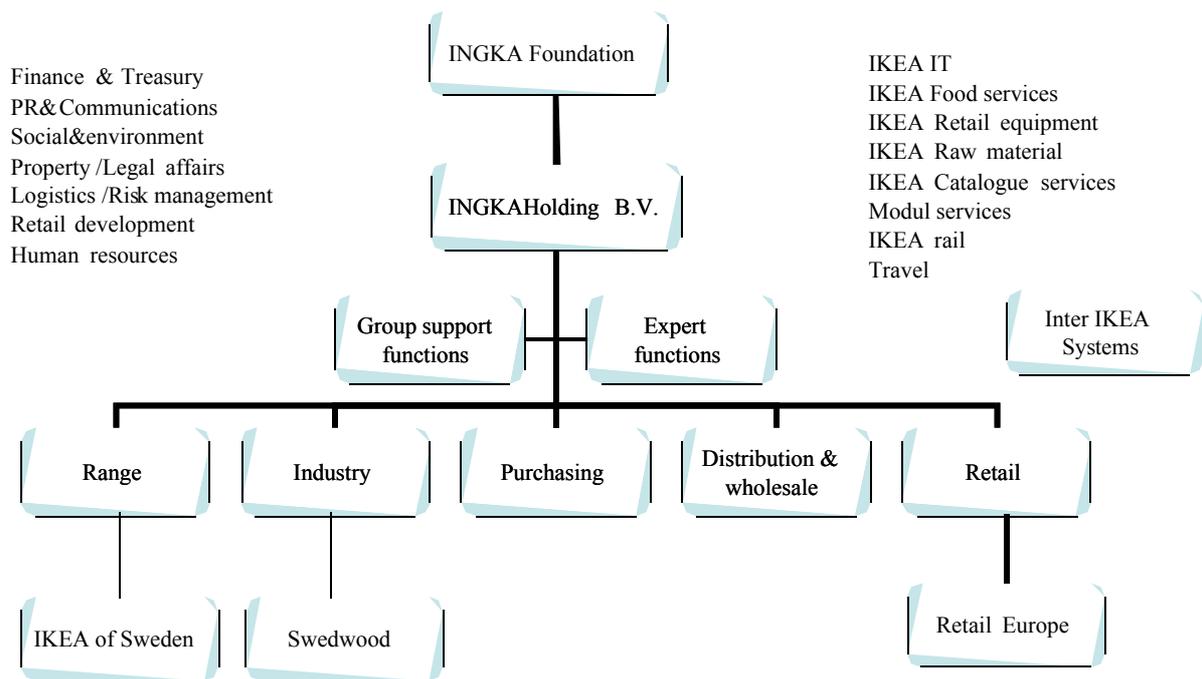
- The foundation is the main owner holding the shares in the holding company. The purpose of the foundation is to support furniture design, education and training in the area of furniture production and design etc.
- The group support functions (Legal services, Human Resources etc) should be considered as strategic functions for the IKEA group as a whole and are organised in IKEA Services AB under the laws of Sweden and also the basis for the EWC regulated under Swedish law.

¹ The IKEA group 2001/2002. (company leaflet)

² The name IKEA is an acronym for Ingvar Kamprad Elmtaryd Agunnaryd where Elmtaryd is mr Kamprads native farm and Agunnaryd his native village

³ The figures are from 2001

- Expert functions such as IT, food services, retail equipment etc operates under economies of scale and is supportive to the basic operations
- IKEA of Sweden AB is responsible for the range - design, development etc
- Inter IKEA systems B.V (The Netherlands) owns the IKEA concept and trademark which is bought by the retail operations but is also sold to outside operators on a franchising basis
- The furniture is purchased through purchasing operations (trading service offices) in 33 countries with 1800 suppliers in 55 countries.
- The distribution operations covers 25 regional distribution centres in 14 countries supplying goods to the stores
- The retail operations are geographically organised with a specific organisation for Retail Europe



From the start, in the beginning of the 1950th, the company expanded in a moderate pace up until the beginning of the 80th. From an annual turnover of 1, 2 billion Euro in 1984 there has been a rapid development to 11 billion Euro in 2002. The biggest expansion has been in the late 90th. The first IKEA store opened in Sweden 1958, outside Scandinavia the first store opened in 1973 (Switzerland). In 1985 the first establishment in the US were made, 1998 in China and 2000 in Russia.

World wide the picture looks like the following with regard to different regional areas:

	Europe	North America	Asia/Australia
Turnover per region	80%	17%	3%
Purchasing per region	66%	4%	30%
Co-workers per region	59000	9000	2000

The IKEA group is very much built on the joint concept described in the business idea and by supplying the same kind of products world wide built on the design of IKEA of Sweden. Also the stores are laid out in the same way – very much due to the fact that the IKEA concept is one of effective distribution (“flat packages”) as well as design and cost-effective material and

production (where for one thing the customer is to do part of the assembly-work). This has also influenced a joint personnel idea formulated as:

“..to give simple and honest people the possibilities to develop both as individuals and in their professional roles, so that we together and with deep involvement can create a better day-today life for ourselves and our customers.” The demands and possibilities of being an employee in IKEA is further emphasising

- Willingness to take responsibilities, service-orientation, open for changes, challenging established patterns, open and just in co-operation, cost-conscious
- Working in a growing company with human values, develop professionalism, chose between different positions, secure and reasonable terms of employment

An important development strategy for the group was established in 1999 – ten jobs in ten years 2001-2010. This strategy coincided with the establishment of the EWC in 1999 and has been a recurrent item on the agenda. The ten jobs are a mix of economic, technological and social activities and comprise of the following points:

1. Developing a strong and vital range
2. Offer outstanding sales prices
3. Improve meeting with our customers
4. Continue to reduce purchase prices and improve product quality
5. Develop a logistic efficiency in the whole pipeline
6. Attract, develop and inspire our people
7. Be one IKEA
8. Become leaner, more simplified and quicker
9. Take responsibility for our suppliers, their co-workers and for the environment
10. Keep the culture of IKEA a strong living reality

Part of these “jobs” has also been incorporated in a group-wide “code of conduct” (especially 6,7 and 9). Also based on these jobs a worldwide HR-strategy has been formulated and implemented including recruitment, succession planning, mobility, diversity, flexibility and work/life balance, training and development, leadership and culture.

2. Method

This case study is built on internal IKEA background material such as leaflets, strategy documents, fact and figures; The IKEA group 2001/2002, “Ten jobs in ten years” (IKEA 2000-03-30) Our personnel idea (IKEA 1999). On EWC-matters there are two agreements – the original one from 1999 and the amendment made in 2002 – and protocols from two EWC-meetings (2001 and 2002) and one select committee meeting.

In total 8 interviews have been made, five in Sweden and three in France:

- MD of IKEA Retail Europe (Management insider)
- Director of Human Resources World Wide - IKEA Services (Management insider)
- Store Director IKEA Barkaby (Management outsider)
- Member of EWC select committee, chairman IKEA Älmhult of the Salaried Employees Union (HTF) and member of the company board (Employee Representative Insider)
- Chairman of Handelsanställdas Förbund - local union in Jönköping (Employee Representative Outsider)
- Human Resource Director, IKEA France (Management outsider)
- Assistant Human Resource Manager, responsible industrial relations IKEA France (Management outsider)
- Member of EWC, secretary of the Central Works Council of IKEA France, CFDT

Representatives from management and employees in IKEA have controlled facts and figures as well as interpretations of the interviews of the case study.

3. The EWC at IKEA

“The Council is an information, thinking and exchange structure set up to deal with economic, financial and labour issues which, because of their strategic importance or their global character are apt to be of interest for the European entities of the IKEA Group of companies...The Council will not involve itself in matters or questions that are solely of national or local origin.”

(The IKEA EWC Agreement, 15th of November 1999, augmented 2002, article 2.1 and 2.4)

History

The EWC of IKEA was established rather late in 1999 after a long series of initiatives and negotiations. The agreement is based on article 13. It was originally signed according to Danish law, because at that time (1999) the IKEA Head Quarter was situated in Denmark. In 2002 an amendment was made to the original agreement. The most important reason for the amendment was a change in the IKEA organisation, which among other things meant a change of HQ from Denmark to Sweden. IKEA International, based in Denmark (Humblebaek), and the body that upheld the formal relations with the employee representatives on a transnational level ceased to exist and the tasks were now to be carried out by IKEA services AB, with its base in Helsingborg, Sweden. This was part of a change in the general structure of the IKEA group and its administrative functions and support bodies.

Other changes being made in the agreement was timeschedules for appointing members and a change in the routine fore the joint meetings.

Only one of the interviewees took part in the process leading up to the original agreement, the select committee member from HTF, Sweden. According to him this was a long process starting in the early 1990s as an initiative from FIET. The then chairman was from Handelsanställdas Förbund in Sweden and looked upon the possibilities of making IKEA a pilot in the retail sector. Due to not so good management-union relations and the management’s unwillingness to let outside union representatives into company affairs, the negotiations didn’t start until after the directive was implemented.

Important reasons from the Swedish point of view was supporting the development of union strategies and co-operative structures in Europe as a whole – especially the southern parts. For himself he at that time were satisfied (and still is) with information and influence through the Swedish co-determination system and membership in the company board. Other important factors (writer’s interpretation) might have been the fact that IKEA at that time were in the midst of international expansion – setting up stores worldwide. From being a strictly Swedish Company Mr Kamprad had moved the ownership from Sweden to the Netherlands as well as the HQ.functions to Denmark.

General outlay

The EWC structure can be looked upon as a joint co-operation structure. Management take part in meetings, except representative pre-meetings. Normally four persons from management attends the general meetings – the MD of IKEA Retail Europe, the HR director, the General Counsel and a legal council performing as secretary. The HR director holds the chair. The Employees are represented by two delegates from Germany, Sweden and the UK each. One delegate represents all other countries. 6 out of 15 are women, compared with about 60% of the work force. On the management side they are all men.

The general EWC meeting takes place once a year. The meetings up until now have all been taken place in Denmark. The first day is used for travels and a pre-meeting for the employee representatives, the second day for the formal meeting with both management and employee representatives and the final day for post-meeting among the employee representatives and travelling back home. The augmented agreement stipulates one other meeting (without management or translation) if seen necessary by the employee representatives. It also changes the outlay of the meeting in order to both use the interpreters more efficiently and to get time for more informal, social meetings.

The agenda has comprised of the following items (example from the 2002 meeting):

- Health and security
- 10 jobs in 10 years
- Fiscal year 2001 – sales and result, forecast
- The economic situation in Europe and IKEA activities
- Expansion
- Organisation
- Out-sourcing policy
- Staff policy
- Follow up of the agreement
- Date for plenary meeting 2003

Normally four languages are simultaneously interpreted (German, French, Spanish and “Scandinavian”). The management takes the minutes and they are confirmed and presented in English on the Intranet. Experts (normally a Danish and a Swedish union official) are present and consulted in an adjacent room, during the plenary meeting. There is no specific budget for the meetings, but the costs are estimated to about 50000 Euro per year.

There is a select committee with one representative each from Germany, Sweden and Belgium together with the HR director and councils depending on the issues. The select committee prepares the plenary meetings and takes care of other upcoming issues on contingency bases.

4. Influences

“Basically the management was hostile and against it, but there has been a change of directions since the establishment and through the joint work on occupational health and safety we have been perceived as a party who can contribute.”

(Employee representative insider)

The business and the strategy

It is important to realise the business IKEA is in and its strategy to be successful in that business. The dominating business process is distribution and retailing. The closeness to the customer is of utmost importance. The strategy is built on joint design and cost-effective distributions processes. There is also a hard pressure on suppliers to be cost-effective in their operations. The company has had a great expansion, establishing a number of new stores every year during the last decade, and also moving into new countries, even though Europe still is the main market.

The transnational issues in a company like IKEA is not the relocation of jobs, moving operations to the most cost-effective country or region. The stores have to be where the customers are. Opening and closing of stores are strategic decisions and often initiated from the holding company in the Netherlands, but the carrying out are local initiatives. Due to the expansive strategy there has been no store closures thus far. Reorganisations therefore have not been a main issue for the EWC, with the exception of administrative changes such as the major re-organisation of the group joint support bodies.

The joint concept strategy – both in design, store layout and in internal procedures - on the other hand includes a number of central, transnational decisions. Using the EWC as a vehicle for discussing and implementing the 10 jobs in 10 years is an example of this. Many of the issues in that strategy could be treated as national or local issues. Emphasising company culture (“one IKEA..... keep the culture of IKEA a strong living reality”) implies high ambitions not just to focus on the IKEA-brand on the external market (the design, the prices, the flat packages) but also that this has to be met internally by strategic, transnational actions.

The EWC in the company structure

The EWC at IKEA is a rather new established EWC. The process of getting it was a long one. Management has stressed hard the need for treating this as an internal company matter with employee representatives from within the company. This has been both a cultural issue (one IKEA) and a question of minimising external influences in especially the financial and economic structure of the company.

The view of the present management is somewhat “now that we have it let’s make the best of it.” But from the management side it is also very clear that it is not a formal body in the company organisation – making or taking decisions on its own. It is more a way of establishing an arena for information and co-operation, making employees and their representatives more aware of the company and its strategies.

Following these intentions a specific working group was established under the EWC. The task for the group was to develop an occupational health & safety policy with specific focus on the work, layout and working hours in the cash registers.

Cultural and union differences in perceptions of the EWC

From the employee representatives the views on the EWC differ – especially between the views on seeing it as nothing more than a forum for information, networking and the exchange of views to that of a more influential body where the consultation gets close to real negotiations. The perception of the use of the EWC very much falls back on these basic expectations on what the EWC is or could be.

It is also very clear that the Swedish (or Scandinavian) industrial relations has been influential in shaping the way the EWC has developed. From the management point of view this has been much shaped by the union attitudes where the Nordic/Scandinavian unions are more pragmatic, co-operative and company oriented compared with the southern union attitudes like those in France or Belgium characterised by more antagonistic, anti-company attitudes.

5. Process

“Working together with management in small projects can make some traces. Using the EWC as a negotiation arena is doomed to fail”

(Swedish Employee Representative Insider)

“The EWC exists more to display great intentions rather than an instrument for labour relations “

(French Employee Representative Insider)

Interaction between employee representatives and group management

The interaction between management and employee representatives takes place on more levels than the formal, yearly EWC-meeting. There is the select committee and informal contacts (e-mail, telephone etc). And there is in Ikea’s case the format of the working group.

The informal contacts seem not much developed. Not more than once a month are there informal contacts between the leading persons on the management side and representatives in the select committee. The meetings of the select committee between management is primarily to set the agenda for the plenary meeting.

More interesting in the management/employee interaction are the plenary meetings and the instrument of the working group.

The plenary meetings are the basic arenas for interaction. The issues are wide – from financial and economic information to human relation policies. On economic and financial information as well as organisation and strategies efforts are made from the management to reveal relevant information to the EWC. The European Level is not used in the internal economic systems and there is no external demands because IKEA as earlier said is not on any stock exchange. In order to get for the EWC interesting economic information, special figures not used in the internal systems are presented.

The first meeting after the agreement in 1999 was much focused on informing of the IKEA organisation, strategy and culture. In this the strategy of 10 jobs in 10 years were introduced. And the process was followed up on the following meeting. On the second meeting the Occupational Health & Security issues were introduced and a working group was established and the results of this group were presented on the third meeting. The revision of the agreement – apart from amendments due to the fact of the relocation of the HQ – contained two process-improvements. One was introducing a second meeting (just for the employee representatives) and one was a change in the meeting structure, making the plenary meeting more cost effective on using translators but also setting a side time for social, informal contacts.

Even if it is stated in the agreement that local issues shall be dealt with locally/nationally, these questions tend to be raised by many of the employee representatives. It might concern dissatisfaction with local management, appeals on local/national decisions etc. They are never formally treated at the meeting, but informal contacts between management levels might take place, as a result of the discussions in the EWC.

It is very evident that one major problem in the relations has to do with different perceptions on *the role of the EWC*. The management has from the beginning been very cautious in involving outsiders (union officials and outside experts) and seen the danger in information leakage (especially economic and market information). Foremost the southern employee representatives sees the EWC as more of a negotiation forum – open information, time for going back to members, consulting experts and coming to real decisions confirmed in written

agreements. The French employee representative is in this aspect very dissatisfied with the process so far (“*a major social showcase, below the objectives of the directive*”) while the Swedish equivalent sees the negotiation form as almost impossible. Among other things coming in conflict with national co-determination system but also due to the fact that the real decisions often is made by the Holding company and is therefore not in “reach” to the EWC. Management’s reluctance to acknowledge the EWC as a part of the company’s decision system can be explained in this perspective. Certain issues though comes very close to a negotiation situation, like for instance the results of the Occupational Health & Security group and on working hours.

Another problem is that of getting on the same level of discussion in terms of competence. Management had on an early stage problems in informing on very basic issues. Training is offered in economy and language, but problems occur due to mobility among the employee representatives, which partly has to do with the high level of staff turnover in the business and IKEA itself. “Green delegates” need always to be informed more deeply and that takes time. Continuity is appreciated by the management as an important factor – in building up knowledge as well as building up social relations. The new agreement stipulates a more systematic way to solve the problem, for instance a minimum period of serving the council. The use of experts could be another solution but there is the company more reluctant, as mentioned above. Other kinds of training, such as joint training to come to terms with roles and cultural differences have been discussed.

Interaction among employees

As mentioned above the interaction between employee representatives are influenced by their different cultures, union traditions and labour relation systems. The French employee representative describes it as the existence of two clans within the EWC- the north (Scandinavians, Netherlands and Germany) versus the south (Spain, Italy, France, and Belgium) with the UK somewhere in the middle. The north clan is perceived by the south as too co-operative and company oriented while the north perceives the south behaviour as too political and antagonistic towards management. These differences are also very much identified by the management side.

The different cultures and perceptions have not caused direct conflicts but seem to be slowing down the development of co-operation between the employee representatives. The differences – both in the different cultures and traditions as well as on the role of the EWC - tend to make the representatives more passive, inside as well as outside the plenary meetings. The Swedish employee representative insider sees the possibilities in arranging a training course to strengthen the co-operation through better insights in the different traditions and cultures. The French insider on the other hand sees the development of the EWC itself and its status (own resources, centralisation of information etc). Both he and the Swedish outsider sees the necessity of preparing for a union “Europisation” and the development of a European labour code as well as more of bench-marking and development of joint minimum standards on terms of employment in the company.

The select committee has more of informal contacts – at least once a week and with the rest of the EWC-delegates once a month.

There is also the issue on the interaction between the local and national/central representation and how information is spread between different levels of employee representatives. There seems to be big differences between different unions and countries. The Swedish situation can exemplify a rather well structured process for internal union communication. The two major unions – HTF and Handels – has yearly conferences of local chairmen discussing joint issues as well as issues that has been or will be on the agenda of the EWC. The Swedish insider points out the importance of the personnel competence of the EWC-representative – active,

communicative, open and competent in the English language. So far though the internal processes has not lead to any specific results.

Interaction within management

The EWC has a somewhat unclear role in the organisational and managerial structure. And the management is, as earlier stated, not keen on making it a decision body of its own. On HR-issues as an example the HR director prefers to work within the company structure and its chain of command. For instance there are general HR-meetings with HR-people on a global scale. EWC-issues might come up but not as important ones. What we can see is not only the “conflict” between the co-operative industrial relation structure (EWC and national structures) and the company chain of command (business driven) but also the fact that IKEA “acts global and operate local”. There is little space from a business and organisational point of view for a “in-between structure”. This is perhaps one of the most important reasons why the management sees the EWC-structure as one way (of many ways) in getting information and competence on employee matters. The fact that the retail business is organised on a European level makes in especially interesting for the retail manager in the areas that he controls.

The perception of the EWC from lower management (outsiders on a national and local level) does not really see the EWC as an important one. They are informed of what is happening (HR-directors) but this not contributes to their own information (the most is already available). They don't see the link between the national and the European level. The French outsider's comments for instance that the possibilities in the organisation to focus on special French problems in the company are not in any way enforced by the EWC. Local store managers (Swedish interviewee) are more pre-occupied with the national and local co-operation system and the relations between national and local representatives. The EWC is not an important issue in any way.

6. Outcomes and impacts

“The main advantage of the EWC is at the same time in one moment and time get joint views from the employees – prepared or spontaneously – to use competence on joint issues” (HR director)

“The climate between unions and management has improved dramatically” (Employee Representative Insider, Sweden)

“...a major social showcase, below the objective of the directive.” (Employee Representative Insider, France)

Employees

Employees in IKEA seem to be very unaware of what is happening in the EWC. It is a part of the introductory program in Sweden, but still the Employee representatives don't think that the individual employee see the differences between the local, national and European participatory systems.

Outcomes in terms of changes in the working place due to EWC-actions are still to be seen. The Occupational Health & Security program based on the EWC and the working group will probably lead to changes. But if these changes will be connected to the EWC is another issue. Presently the most important thing for the EWC is to get policies and action programmes in work that will be carried out by the management in its responsibility for the operations and the work environment.

The perception of the EWC from the employees is very much a question on how information on EWC-matters is spread within the organisation.

In IKEA there are three major information channels; An internal magazine (Readme), A wallpaper (stuck on the wall on every working place) and the Intranet. The protocols are put on the Intranet (in English). The further information is then decided in each country. Discussions are being held on using the WallPaper as an information channel. Using the internal magazine is from the management seen as more difficult. The argument is that it has its journalistic approach – leading to that the contents are mainly being decided from a journalistic point of view.

The information problem is seen as an important from employee representatives – insiders as well as outsiders.

The most positive effects from the Employee representatives point of view is the building of networks between representatives from different countries and in this also improving the possibilities of bench-marking on solutions.

Management

As earlier noted the management was in an early stage rather reluctant to the whole idea of an EWC, for different reasons. The attitude now is “now that we have it let's use in the best way we can”. The positive aspects are primarily getting the views and the competence from employee representatives at one time and one place. If it is cost-effective or not the inside managers has difficulties in estimate. Local management, mainly due to the little result they see, are more negative to the cost-effectiveness. They have to pay for the time and travel but doesn't see anything “coming back”.

There are no signs of the EWC influencing general management practices, organisation etc.

Human resource management and industrial relations

As shown by the above quotations there are, not surprisingly, different views on the outcomes between management and unions but also between unions as to the impact on Human Resource Management and the relations between the parties. There are important reasons for these differences;

- different expectations based on different cultural background and industrial relation traditions (the northern/southern conflict)
- the natural differences in the ambitions and roles between management and union/employee representatives – the conflict between labour and capital.
- differences between the national, European and global perspective.

For one, Human Resource Policies in general has not been very influenced by the EWC . Human Relation strategies are primarily global or national. The EWC becomes one of many players, but not the major player, in influencing HR-policies and strategies. Company code of conduct for instance, has been discussed but not been seen as an internal HR-policy for Europe but as a global social standpoint to external players. And when it comes to very concrete internal issues such as for instance opening hours and working hours they are being defined by national systems, such as national laws on business opening hours. Changes in these aspects might come through a development of a European “labour law”. On Human Relation matters the EWC is confined to be in an unclear position between the company acting global, often well developed national systems on wages and other terms of employment and a weak European legislation in the area.

There are though expectations to this, and that is the development of the Occupational Health and Security policy, based on the joint working group efforts. Here we can see that the EWC has in fact made a difference in HR-matters. And now there are ideas and discussions on joint efforts on actions against sick-absenteeism. The basis for these developments are the above mentioned management attitude “to make the best out of it” combined with the IKEA concept based on joint design, business processes and culture. In this aspect HR-strategies are transnational as well as re-locations etc.

The industrial relations in IKEA as well as HR-policies are very much based on the Swedish traditions. In many aspects management and Swedish employee representatives have more in common than employee representatives in the northern-southern countries. It seems to be too early to say if the EWC will have an impact on the national industrial relations. Up until now the influences tend to go the other way around, that is the different national traditions complicate the development of the EWC and getting efficient industrial relations on company level.

7. Discussion and analysis

Future developments

The IKEA case shows very little activities on transnational activities in re-organisation and relocation of jobs. There has been only one major relocation, involving central staff employees. This change concerned a minor part of the employees, many on high levels (experts, managers etc).

The interesting activities are instead those who is related to business and human resource strategies and on the problems in defining the role of the EWC. Different national industrial relation cultures makes it hard to develop a joint employee strategy. Should it be a more proactive body based on a trans-national negotiative role or should it be developed as more of an informal co-operative arena based on joint activities, such as the occupational health and security working group but in large accepting the management structure and chain of command?

The French employee representative sees that the possibilities lie in developing a stronger formal position, strengthening the information and consultation roles and also providing resources. The Swedish employee representative is more reluctant to making the EWC a negotiation arena – small joint projects are the way to go. Also important is to develop joint training in order to be more clear on the cultural differences and developing joint views on the role of the EWC between the employee representatives. He, as well as the Swedish outsider, emphasises the necessity in finding efficient information and communication channels to the employees.

On the representation side you have the problem of mobility and continuity, which is reinforced by the high mobility (and low age average) among the employees. The Swedish employee outsider emphasises the personal competencies of the representative. Management points to the need of competence in company strategy, language and economy, which need a process to build up. Building networks also need continuity.

Continuity, joint training of the employee representatives in order to develop joint values and strategies among the employee representatives and a more thorough information to the working places are ways to improve the” internal” function of the EWC.

Management perceptions on the future development on the EWC follows the hitherto strategy – using the competence and interests among the employee representatives in solving joint problems. How far this will lead is still uncertain – from discussions on sick-absenteeism, the effects of the EU-enlargement to the development of culture and values.

Enlargement issues will effect the EWC and its role. For instance there will be a lot of purchasing countries entering as well as those with retail services. The Swedish employee representative insider sees much work in supporting the development of national union, electoral and co-operative national structures in many of the new countries. Important to realise is also the fact that these countries will be joining an existing system which they not have had the chance to influence, which might lead to a revision of the agreement, not just amendments or adjustments.

General conclusions

The IKEA case shows that development of the EWC as an instrument for solving industrial relations on a European level is a very complex and contextual process taking into consideration a number of important aspects and their developments over time such as

- The characteristic of the business and the individual company's business strategy and market situation
- The relationship between company global strategies, specific European features and organisational arrangements and the perception of national regulations as hindering or supporting, both from management and employee perspective
- How different industrial relations and union cultures can be developed into a joint perception of roles and employee strategies
- Developing trust (or distrust) between management and employee representatives, both on the EWC level and the national/local levels
- Developing strategies and co-operative work forms on different issues – from information, consultation to participation and joint management/employee work

In order to deal with all these considerations to be made, the EWC-development in a case like IKEA, needs to be planned almost as a learning process – action, reflection, generalisation, changes. The *legal structures* are important to get things going especially in the phase where management doesn't see the immediate strategic or economic positive effects. The legal structure also needs to be revised continuously, not always to enforce new standards but to confirm them. *Training structures* need to be developed, both for the individual representatives (business, economy, language etc) and for the EWC as a whole (culture, industrial relations, roles and regulations). New *work-forms for information, consultation and participation* on different issues are implemented and evaluated a long the way both on the aspect on how they contribute to employees well-being, company efficiency and effective industrial relations. *Information and communication strategies* in order to make employees aware of the system and where it leads

Summing up - key aspects

The IKEA case are especially characterised by the following

- A company with high ambitions on joint strategies on both business (concept driven) and personnel (culture and values) both hindering the EWC-development (the global perspective) and supporting it (making different HR-issues transnational)
- Developing industrial relations from conflict to more of co-operation
- Differences in employee/union attitudes along the north-south pattern complicating the joint action from the employee representatives
- Developing new more informal work-forms – the joint work group on Occupational Health and Safety