12 Collective Agreements and Equal Opportunities for Women and Disadvantaged Groups

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Abstract

This contribution researches the impact of collective agreements on female management and job opportunities of employees from disadvantaged groups (including migrants or their descendants) in 4053 enterprises in Europe. Graafland finds that collective agreements stimulate female presence in board and executive positions, and the inflow of employees from disadvantaged groups (e.g. migrant workers, people with disabilities, long-term unemployed). Moreover, female management further enforces job opportunities of disadvantaged workers. Countries with high coverage of collective agreements therefore, directly as well as indirectly, through female management, foster integration of employees from disadvantaged groups into the labour market. The results imply that dismantling extensions of collective agreements in the labour market increases gender inequality and inequality between advantaged and disadvantaged groups of employees.

Keywords: disadvantaged groups, collective agreements, female management

Introduction

Because of international differences in Corporate Social Responsibility (CSR) policies of companies, research into CSR has become more focussed

on its institutional roots.¹ One of the institutions that has been relatively unexplored in CSR research is collective agreements. Only Ioannou and Serafeim have researched how labour unions affect CSR.² Using ratings from ASSET4³ for public companies in 42 countries, they found that union density stimulates both environmental and social CSR. The research of Ioannou and Serafeim does not, however, address which of the many social aspects that are included in the social dimension of CSR as constructed by ASSET4, are more or less encouraged by union coverage.

The social dimension of CSR comprises very heterogeneous aspects in the rating system of ASSET4, including customer and product responsibility, community interests, respect of human rights, diversity and opportunities, quality of employer-workforce relation,⁴ employment health and safety, and training and development. It is not surprising that union coverage improves aspects of the social dimension of CSR that concern core interests of incumbent employees that unions aim to protect, such as fair wages, the use of fixed-term contracts, training and development, and health and safety. Previous research has shown, for example, that relative to uncovered workers, union-covered workers are more likely to receive more days of training.⁵ In addition, union-covered workers experience greater returns from training and face a higher wage growth. In establishments where unions are recognised, labour turnover is also reduced.⁶ Furthermore,

1 R.V. Aguilera and G. Jackson (2003), 'The cross-national diversity of corporate governance: Dimensions and determinants', *Academy of Management Review*, 28 pp. 447-465; J.L. Campbell (2007), 'Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility', *Academy of Management Review*, 32 pp. 946-967; G. Jackson and A. Apostolakou (2010), 'Corporate social responsibility in Western Europe: an institutional mirror or substitute?', *Journal of Business Ethics*, 94 pp. 371-394; S. Brammer, G. Jackson, and D. Matten (2012), 'Corporate social responsibility and institutional theory: new perspectives on private governance', *Socio-Economic Review*, 10 pp. 3-28.

2 I. Ioannou and G. Serafeim (2012), 'What drives corporate social performance & quest; The role of nation-level institutions', *Journal of International Business Studies*, 43(9) pp. 834-864.

3 ASSET4 is one of the major sustainability ratings agencies, often called ESG raters, as they rate companies on the three dimensions: environment, social, and governance. Other well-known ESG rating agencies are KLD, Sustainalytics, Vigeo, and FTSE4Good.

4 It seems that Ioannou and Serafeim (2012) failed to notice that the workforce and employment category in ASSET4 includes trade union representation, which makes their analysis partly tautological.

5 A.L. Booth, M. Francesconi, and G. Zoega (2003), 'Unions, work-related training, and wages: Evidence for British men', *Industrial and Labour Relations Review*, 57(1) pp. 68-91.

6 F.D. Blau and L.M. Kahn (1983), 'Unionism, seniority, and turnover', *Industrial Relations*, 22(3) pp. 362-73.

labour unions use their collective bargaining and participation in health and safety committees to influence workplace health and safety standards.⁷

However, these findings do not give insight into how coverage by collective agreement affects labour issues that have a wider societal interest. In our research, we focus on two important, yet unexplored, social aspects of CSR that go beyond the immediate interests of incumbent workers, namely gender diversity in the management of the company and equal opportunities for groups that have a relative disadvantaged position on the labour market. To date, there has been no large scale, multi-country research into the relationship between collective agreements and these two dimensions of labour market equality. The core research question of this paper is therefore: Do collective agreements encourage gender diversity in the management of the company and equal opportunities for groups that have a relative disadvantaged position on the labour market, including migrants or their descendants?

We test our hypotheses on a sample of 4053 enterprises in twelve European countries for which detailed information about the share of employees represented by collective agreement, per firm, is available. This data provides information about differences in union coverage among companies within countries and, therefore, provides a more accurate picture of the influence of collective agreements than macro indicators of union density do. In the next section, we present the conceptual framework. In section three, we describe our methodology. Following the methodology, we present our empirical findings, followed by a discussion.

Conceptual Framework

Background

One of the neglected forces in institutional CSR theory is the role of collective agreements. A collective agreement is written between a representation of workers and an entrepreneur or business representation, and regulates the working and employment conditions as well as the labour relations management.⁸ It is established between the elected representatives of the

7 For an overview, see K. Pouliakas and I. Theodossiou (2013), 'The economics of health and safety at work: an interdisciplinary review of the theory and policy', *Journal of Economic Surveys*, 27(1) pp. 167-208.

8 J.M. Biedma-Ferrer, M. Lopez-Fernandez, and P.M. Romero-Fernandez (2015), *The collective labour agreement as a key tool for driving corporate social responsibility: banking sector analysis*, Retrieved from: <http://www.ehu.es/cuadernosdegestion/documentos/150525jb.pdf>.

workers and those who act on behalf of the company, but can be extended to employees and employers of other companies. Such cases of extension mechanisms exist to varying degrees in EU Member States.⁹

According to Aguilera and Jackson, the lack of attention to the role of collective agreements in CSR reflects weak employee participation in the United States, where the concept of CSR originated.¹⁰ Also, in the practice of CSR, labour unions have been largely excluded from participating as equal partners. Consequently, organised labour greeted CSR with ambivalence.¹¹ To unions, the concept of CSR lacks a distinct connection to the central role that corporations have as employers.¹²

Still, unions may play an important role in the realisation of CSR-related goals, because they are instrumental to voicing workers' collective needs and desires to the management.¹³ Campbell argues that companies are more likely to behave in socially responsible ways when they are engaged in institutionalised dialogue with unions.¹⁴ Their influence may not be visible in voluntary, explicit CSR measures, but is more implicit through sector and national negotiations on labour-related issues.¹⁵ In countries that showed weakening of labour unions, firms started to score higher on explicit CSR as a substitute for institutional regulation and social coordination.¹⁶ Still, to the extent that unions empower employees, corporations may also face pressure to adopt explicit CSR measures. For example, powerful labour unions may use their influence to pressure companies to adopt better labour standards throughout their supply chain and push for extended benefits for employees, focussing on health and safety provisions, labour relations policies, and more workplace amenities.¹⁷ For instance, they can pressure suppliers, who are known for the abuse of migrant workers, into paying them properly.

9 As a result, collective agreements can apply to (temporary) migrant workers, whether EU or non-EU nationals, ethnic minorities, and (or as) nationals alike.

10 R.V. Aguilera and G. Jackson (2003).

11 S. Brammer, G. Jackson, and D. Matten (2012).

12 H. de Geer, T. Borglund, and M. Frostenson (2010), 'Reconciling CSR with welfare state actor roles – The problematic Swedish case', *Journal of Business Ethics*, 89 pp. 269–283.

13 R.B. Freeman and J.L. Medoff (1984), *What do unions do?*, New York: Basic Books.

14 J.L. Campbell (2007).

15 D. Matten and J. Moon (2008), "Implicit" and "explicit" CSR: a conceptual framework for a comparative understanding of corporate social responsibility', *Academy of Management Review*, 33(2) pp. 404–424.

16 G. Jackson and A. Apostolakou (2010).

17 I. Ioannou and G. Serafeim (2012).

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Based on union representation theory, we expect, however, that collective agreements might have negative effects on social issues of wider societal interest, such as equal opportunities for women and disadvantaged outsiders on the labour market.¹⁸ Union representation theory predicts that unions tend to advocate the interests of the median worker who often works full-time for a single employer. A union's duty to protect and advance the collective interests of all of its members might conflict with the particular interests of specific groups. Although a minority of union members may significantly value equal opportunities for specific groups, the majority of union members may have little interest in these issues, which induces the union to disregard the interests of specific groups that are victims of discrimination.¹⁹ Consequently, union representation may encourage packages that do not reflect the preferences of marginal worker groups.²⁰

Women and employees from disadvantaged groups are disproportionately represented in nonstandard atypical work, which may include part-time work, temporary agency work, flex-work, self-employed home care work, and contractor work.²¹ Previous studies have found that unions tend to underrepresent women's interests systematically and to promote discriminatory policies, notwithstanding high rates of unionised women.²² One of the reasons might be that women are underrepresented in union decision-making structures.²³ Most of the union representatives are men and this may have a negative outcome for gender equality in the bargaining process. Previous research has also shown that unions tend to underrepresent the interests of foreign workers.²⁴ Unions face the tension that the more immigrants that become active in the domestic labour market, the more competition there

18 L. Lurie (2015), *Do unions promote gender equality?*, Retrieved from: <http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1290&context=djglp>

19 D.A. Widiss (2012), 'Divergent Interests: Union Representation of Individual Employment Discrimination Claims', *Indiana Law Journal*, 87(1).

20 J.W. Budd (2007), 'The Effect of Unions on Employee Benefits and Non-Wage Compensation: Monopoly, Power, Collective Voice and Facilitation', in J.T. Bennett and B.E. Kaufman (eds.), *What do unions do? A twenty year perspective*, pp. 162-164.

21 L. Lurie (2013), 'Can Unions Promote Employability? Senior Workers in Israel's Collective Agreements', *Industrial Law Journal*, 42 pp. 249-280.

22 A. McBride (2001), *Gender Democracy in Trade Unions*, Aldershot: Ashgate.

23 L. Lurie (2015).

24 E. Albin (2013), 'Union Responsibility to Migrant Workers: A Global Justice Approach', *Oxford Journal of Legal Studies*, 34 pp. 133-153.

is for traditional groups of employees that they represent, and the worse working conditions might become for these groups. Particularly in times of ample national supply of labour (such as in the years following the credit crisis in 2008), trade unions are likely to oppose recruitment of immigrant workers. Due to widespread unemployment, labour market competition might increase and inclusive union policies towards immigrants may thus clash with the interests of native workers.²⁵ Unions may therefore be inclined to defend the interests of national members and resist migrants or hesitate to defend them, for example, against exploitation.

Based on union representation theory and previous empirical research, we therefore posit the following hypotheses:

Hypothesis 1: Collective agreements reduce female representation in board and executive positions

Hypothesis 2: Collective agreements reduce the inflow of employees from disadvantaged groups

Interrelationship between Women in Management and Hiring of Disadvantaged Groups

Besides a direct negative influence from collective agreements on the inflow of employees from disadvantaged groups, we also expect a negative indirect effect mediated by the share of women in the top management of the company. We base this argument on social role theory that predicts that women are more socialised into communal values reflecting a concern for others than men, and, therefore, more likely to be motivated by altruistic concerns.²⁶ This has been confirmed by research that shows that female managers are more involved in corporate philanthropy.²⁷ Because of their altruistic concerns, it is therefore likely that female board members or

25 R. Penninx and J. Roosblad (Eds.) (2000), *Trade unions, immigration, and immigrants in Europe, 1960-1993: A comparative study of the attitudes and actions of trade unions in seven West European countries*, New York/Oxford: Berghahn Books.

26 E.S. Mason and P.E. Mudrack (1996), 'Gender and ethical orientation: A test of gender and occupational socialization theories', *Journal of Business Ethics*, 15(6) pp. 599-604; M. Williams and E. Polman (2015), 'Is It Me or Her? How Gender Composition Evokes Interpersonally Sensitive Behavior on Collaborative Cross-Boundary Projects', *Organization Science*, 26(2) pp. 334-355.

27 R.J. Williams (2003), 'Women on corporate boards of directors and their influence on corporate philanthropy', *Journal of Business Ethics*, 42(1) pp. 1-10; N.A. Ibrahim and J.P. Angelidis (2011), 'Effect of board members' gender on corporate social responsiveness orientation', *Journal of Applied Business Research*, 10(1) pp. 35-40; C. Marquis and M. Lee (2013), 'Who is governing whom? Executives, governance, and the structure of generosity in large U.S. firms', *Strategic Management Journal*, 34(4) pp. 483-497.

executives will take more responsibility for providing job opportunities to people from disadvantaged groups than male top managers. Therefore, we hypothesize that:

Hypothesis 3: Female representation in board and executive positions increases the inflow of employees from disadvantaged groups

Methodology

Data Collection

The data has been taken from a large online survey that targeted small- and medium-sized enterprises (SMEs) and was set out in twelve European countries (Austria, Denmark, Finland, France, Germany, Hungary, Italy, Poland, Spain, Sweden, The Netherlands, and the UK). The methodology of the survey has been described elsewhere.²⁸ 4053 responses were useable for our research. Using Cochran's sample size formula, we find that this response is adequate for inferring reliable research findings for the total population of companies in the twelve countries, using an alpha of 0.05.²⁹ Test results showed no response bias.

General Characteristics of the Sample

Table one presents an overview of the general characteristics of the companies in the sample. The use of collective agreements differs significantly among the twelve countries that we distinguish, ranging from 15% in the UK to 95% in France due to the large-scale extension of collective agreements in that country. The different shares of employees in our sample of SMEs that is covered by collective agreements per country reflect the differences in macro shares reported by the European Union.

28 J.J. Graafland (2016), 'Price competition, short-termism and environmental performance', *Journal of Cleaner Production*, 116 pp. 125-134.

29 The total number of companies in the twelve countries equals 16091476 (Source: EU, http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm#h2-1).

Table 1 Sample characteristics (in %)

Country	% in sample	Union density (2013) ^a	Extension collective agreements ^b	Coverage collective agreements ^c	Share of employees covered by collective agreement in sample		
UK	3	26	not	29	15		
Denmark	7	67	not	80	65		
Finland	4	69	very frequent	91	87		
Sweden	5	68	not	88	84		
Austria	2	28	seldom	95	72		
France	7	8	very frequent	98	95		
Germany	9	18	moderate	59	54		
Netherland	11	18	frequent	81	75		
Hungary	4	11	seldom	33	29		
Poland	7	13	seldom	25	47		
Italy	31	37	not	80	94		
Spain	11	17	very frequent	70	92		
Company size							
Micro (≤10 FTE)		Small (11-50 FTE)		Medium-sized (51-250 FTE)			
30		41		29			
Sector							
Energy	Material	Industrial	Consumer discretionary	Consumer staples	Financial	ICT	Other
4	17	19	19	4	3	4	30

^a Source: OECD (https://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN).

^b Source: Eurofound (http://adapt.it/adapt-indice-a-z/wp-content/uploads/2013/08/efficacia_ccnl_eu.pdf).

^c Source: <http://www.worker-participation.eu/National-Industrial-Relations/Across-Europe/Collective-Bargaining2>.

Measurements

The descriptive statistics and correlations of the dependent and independent variables and among dependent, independent, and the control variables are reported in Table 2.

The independent variable ‘collective agreements’, was measured by a survey question measuring the ‘Share of employees covered by collective bargaining agreement as a % of the total number of employees in 2010.’ The representation of females in board or executive positions was measured by a

survey question asking for the 'Share of women in the board and/or executive positions in 2010.' The inflow of employees from disadvantaged groups was measured by a survey question on the 'Share of employees recruited from disadvantaged groups (e.g. migrant workers, people with disabilities, long term unemployed) as a % of the total inflow in 2010.'

Table 2 Descriptive statistics

	<i>Variable</i>	<i>Mean</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>
1	Collective agreement	70.06	43.45	1		
2	Women in board	23.38	25.82	0.02	1	
3	Inflow disadvantaged	7.18	14.61	0.02	0.17	1
4	Austria	0.03	0.17	-0.02	-0.01	-0.03
5	Denmark	0.15	0.38	-0.11	-0.07	0.01
6	Finland	0.29	0.45	0.04	0.08	-0.05
7	France	0.11	0.31	0.14	0.05	0.11
8	Germany	0.42	0.49	-0.16	-0.02	-0.02
9	Hungary	0.04	0.20	-0.19	0.06	0.05
10	Italy	0.28	0.45	0.24	-0.01	-0.09
11	Netherlands	0.10	0.30	-0.04	-0.11	0.05
12	Poland	0.09	0.29	-0.19	0.14	0.02
13	Spain	0.11	0.31	0.16	-0.01	-0.06
14	Sweden	0.05	0.21	-0.01	-0.02	0.05
15	UK	0.03	0.17	-0.19	-0.01	0.03
16	Company size (FTE, natural logarithm)	0.30	0.46	0.15	-0.07	<i>0.05</i>
17	Low skilled	33.05	32.27	0.15	-0.09	0.13
18	Medium skilled	41.92	29.99	0.07	-0.01	-0.07
19	High skilled	24.62	28.67	-0.24	0.12	-0.07
20	Young	10.20	13.83	0.00	-0.01	0.06
21	Medium age	67.88	23.28	0.12	-0.02	<i>-0.04</i>
22	High aged	21.87	21.53	-0.13	<i>0.03</i>	0.00
23	Energy	0.04	0.19	0.05	-0.01	0.01
24	Material	0.17	0.38	0.09	-0.07	0.01
25	Industrial	0.19	0.39	0.02	-0.13	<i>-0.04</i>
26	Consumer discretionary	0.19	0.39	0.02	0.06	<i>-0.04</i>
27	Consumer staples	0.04	0.20	0.05	0.02	0.02
28	Financial	0.03	0.16	-0.04	0.01	<i>-0.04</i>
29	IT	0.04	0.20	-0.07	-0.02	-0.03
30	B2C	1.93	1.02	0.02	0.10	0.01
31	Intensity of price competition	5.10	1.87	0.08	-0.06	0.01

Spearman's correlation coefficients. Italics $p < 0.05$, bold $p < 0.01$.

In the regression analysis, we controlled for the external environment of the company (sector, position in the supply chain, intensity of price competition, and country) and for internal characteristics of the company (company size [number of FTEs], skill structure, and age structure). To define sectors, we used the Global Industry Classification Standard (GICS) (taking ‘other business’ as a reference). The position in the supply chain is measured by a five-point Likert scale ranging from ‘Business to Business’ (B2B) to ‘Business to Consumer’ (B2C). The intensity of price competition is measured by the survey question ‘In the market for your main product or service, your enterprise is prone to price competition’ using a seven-point Likert scale ranging from ‘not at all’ (1) to ‘very much’ (7). The more competitive the market environment, the lower profitability, and, according to slack resource theory,³⁰ the fewer resources a company has available for investing in CSR-related goals.

Results

Using regression analysis,³¹ we first estimated a null model consisting of all dependent, independent, and control variables. Then, we used stepwise estimation with backward selection in which we eliminated all insignificant control variables based on a criterion of alpha = 0.05. The results of final model are reported in Table 3.

Table 3 Estimation results^a

	Women in board	Inflow of disadvantaged
Collective agreements	0.04***	0.06**
Women in board		0.17***
R ²	0.08	0.08

^a N = 4,053. Standardised coefficients; * p<0.05, ** p<0.01, *** p<0.001. The (Santorra-Bentler) global fit indices for Model 2 are: Chi2 = 0.068; RMSEA = 0.012; CFI = 0.987; TLI = 0.966; SMRS = 0.004; R² = 0.133. We controlled for sector, position in the supply chain, intensity of price competition, company size, skill structure, and age structure.

30 S.A. Waddock and S.B. Graves (1997), ‘The corporate social performance-financial performance link’, *Strategic Management Journal*, 18 pp. 303-319.

31 We used structural equation modeling (SEM) in STATA with maximum likelihood as estimation technique and Satorra-Bentler correction for non-normality. For large samples (as in our research), SEM also provides a convenient method to estimate indirect effects. See P.E. Shrout and N. Bolger (2002), ‘Mediation in experimental and nonexperimental studies: New procedures and recommendations’, *Psychological Methods*, 7 pp. 422-445; T.D. Little, N.A. Card, J.A. Bovaird, K.J. Preacher, and C.S. Crandall (2007), *Structural Equation Modeling of Mediation and Moderation With Contextual Factors*. Retrieved from: http://quantpsy.org/pubs/little_card_bovaird_preacher_crandall_2007.pdf.

The global fit indices – CFI, TLI, and RMSEA – suggest a good model fit.³² The estimation results show that the representation of women in the board and executive positions and the inflow of employees from disadvantaged groups are significantly, but positively, related to collective agreements. Hence, we reject hypothesis one and two. Hypothesis three, that the share of female managers increases the inflow of employees from disadvantaged groups, is supported. If we test the indirect effect of collective agreements on the inflow of employees from disadvantaged groups as mediated by the share of female managers, we find a small but significant positive effect (p value < 0.001). Hence, by fostering the share of female managers, collective agreements indirectly increase the inflow of disadvantaged employees as well.

Discussion

In this paper, we set out to research the effect of collective agreements on social dimensions of CSR that concern wider societal interests, beyond the immediate interests of incumbent workers that unions typically represent, namely gender diversity in the management of the company and equal opportunities for groups that have a relative disadvantaged position in the labour market. Whereas previous cross-country research by Ioannou and Serafeim has shown that union coverage stimulates social and environmental performance of large companies, we expected to find opposite results for gender equality and job opportunities for applicants that have a disadvantaged position in the labour market.³³ This expectation was based on the union representation theory that predicts that unions advocate for the interests of the median worker, and that advancement of these interests conflict with the particular interests of specific groups that are disproportionately represented in nonstandard, atypical work.

Based on a sample of 4053 enterprises in Europe, and using micro data of the share of employees covered by collective bargaining agreement per company, we found, however, that collective bargaining stimulates both the presence of women managers in the top management of the enterprise as

32 B.M. Byrne (2010), *Structural equation modelling with AMOS. Basic concepts, applications, and programming*, New York/London: Routledge; L.T. Hu and P.M. Bentler (1999), 'Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives', *Structural Equation Modeling*, 6 pp. 1-55.

33 I. Ioannou and G. Serafeim (2012).

well as the inflow of employees from disadvantaged groups. Moreover, we also detected a positive, indirect effect from collective agreements on the inflow of disadvantaged employees, as women managers are more inclined to hire labour from these groups, than male managers.

These results provide additional evidence for the positive effects of union coverage on CSR identified by Ioannou and Serafeim.³⁴ Ioannou and Serafeim argue that labour unions may increase overall awareness within society by acting as the firm's ambassador for environmental and social policies. But the question remains why this is the case. A possible explanation is that unions take account of the negative societal effects that result from unemployment of employees from disadvantaged groups, because they often coordinate their actions at the macro level. For individual companies, these negative effects are largely a given and the benefits from fighting them are negligible to the individual company. At the macro level, however, the unemployment of employees from disadvantaged groups is not a given and is rather dependent on the policies of unions at this level. They cause substantial societal costs that harm the interests of all union members. This motivates unions operating at the national level to bargain for policies at the meso and micro level in sectoral or firm level agreements that provide more equal opportunities for disadvantaged groups. An example of such a policy is an agreement of the Dutch national unions Federatie Nederlandse Vakbeweging (FNV), Christelijk Nationaal Vakbond (CNV), and Reformatorisch Maatschappelijke Unie (RMU) with the company CêlaVita that agreed to offer partly disabled employees jobs.³⁵

Another explanation is that the weakening of the position of trade unions during that last decennia has triggered attempts to revitalise unions, with inclusion of underrepresented groups being a foremost strategy. In Europe, such organising has been implemented in the United Kingdom and, more recently, in the Netherlands.³⁶ For example, in 2005, the FNV published a report *De vakbeweging van de toekomst: Lessen uit het buitenland* with the intent to redefine itself. One of the issues addressed in this report was the importance of 'organising' new groups of people, including migrant

34 I. Ioannou and G. Serafeim (2012).

35 Retrieved from: http://www.rmu.nu/weblog/akkoord+over+cao+clavta_1312

36 S. Marino, R. Penninx, and J. Roosblad (2015), 'Trade unions, immigration and immigrants in Europe revisited: Unions' attitudes and actions under new conditions', *Comparative Migration Studies*, 3(1) pp.2-? retrieved from: <https://doi.org/10.1007/s40878-015-0003-x>

workers.^{37,38} Marino et al. conclude that these revalidation efforts of unions, by a more inclusive strategy that takes seriously the interests of previously marginalised groups, suggest that inclusive attitudes toward migrant workers are inversely related to the degree of institutional embeddedness of unions.³⁹ If the institutional power of unions reduces, they become more dependent on union membership, which stimulates them to attract new, underrepresented groups of workers to increase union membership. However, this conclusion is not supported by our research, as our findings indicate that union coverage stimulates a wider societal orientation.⁴⁰ Consequently, collective agreements improve companies' implementation of policies that foster equal opportunities for women and employees from disadvantaged groups in the labour market.

The policy implication that can be derived from our findings is that societies should be careful in diminishing the role of unions, for example, by abolishing the legal extension of collective agreements. The results indicate that nullifying the power of unions may reduce the incentives for creating more equal opportunities for women in board positions and for hiring employees from groups with a disadvantaged position in the labour market. If the influence of unions diminishes, public spirit may decline and this will make it more challenging to integrate people with a migrant history into the labour market, amongst them, the refugees that recently entered Europe.

37 H. Connolly, S. Marino, and M.M. Lucio (2014), 'Trade union renewal and the challenges of representation: Strategies towards migrant and ethnic minority workers in the Netherlands, Spain and the United Kingdom', *European Journal of Industrial Relations*, 20(1) pp. 5-20.

38 In 2004, former FNV chairwomen Jongerius proposed to introduce legally binding minimum quotas for the inflow of employees from migrant groups, but employers refused to support this idea. In a phone call with FNV in August 2017, it appeared that there are no examples yet of collective agreements that provide provisions to increase employment among migrant employees.

39 S. Marino, R. Penninx, and J. Roosblad (2015).

40 If we also include the degree to which collective agreements are extended (based on the third column in Table 1) as indicator of institutional embeddedness of unions (besides the influence of coverage of collective agreements per firm), we find no significant effects on the share of women in the board or the inflow of employees from disadvantaged groups. Hence, institutional embeddedness through extension of collective agreement does not negatively affect the share of women in the board or the inflow of employees from disadvantaged groups.

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