

## European Works Councils and International Hotels

Amina El Amin\*

Department of Business Management, University of Cairo, Cairo, Egypt

### ABSTRACT

Seven international hotel groups have European Works Councils (EWCs) under European Union (EU) directives which require EWC consultation with management. Over 80% of these hotel EWC agreements list consultations involving their financial situation, corporate strategy, work methods, business performance and employment situation. These agreements rarely include human resource management practices, corporate social responsibility and new technology.

**Keywords:** Work councils; Hotels; European Union (EU); European Economic Area (EEA)

### INTRODUCTION

While some voluntary EWCs involving two or more EU countries existed prior to 1994, they expanded dramatically with the passage of the EU Directive 94/95. This 1994 Directive requires international businesses with at least 1,000 employees operating in two or more EU area countries European Economic Area (EEA), European Free Trade Association (EFTA) involving at least 150 employees to establish a EWC [1]. "These bodies provide an institutional basis for information and consultation of workers at transnational level, enabling a channel for effective employee participation in corporate decision making" [2]. Over the years the EU area has seen the addition of countries who are covered by the EWC directive [3]. As of October 2024, there are 1,785 EWCs in force across the EEA, EFTA, EU candidate countries [4].

#### International hotels with EWCs

A 2019 pre-pandemic study found that 7 international hotel groups had active EWC agreements [5]. The international hotel groups with EWCs were:

**Accor hotels:** EWC established in 1994 with 24 EEA-EFTA and EU candidate countries.

**Club Mediterranean (Club Med.):** EWC established in 1996 involving several EU countries.

**Hilton international:** EWC established in 1999 with EWC employee representatives from 25 EU countries.

**Intercontinental Hotels Group (IHG):** EWC established in 2007 involving 14 EEA-EFTA countries.

**Navarra Hotels (NH):** EWC established in 2015 involving 13 EEA-EFTA countries.

**Rezidor hotel group:** EWC established in 2004 covering 13 EEA-EFTA countries.

**Starwood lodging group:** EWC established in 2000 involving 15 EEA-EFTA and EU candidate countries [6].

However, four hotels-Accor, Club Med., InterContinental and Rezidor, established joint EWCs which included both management and employee representatives. In contrast, NH and Starwood created EWCs consisting solely of employee members, while Hilton did not specify the type of EWC it utilized. Notably, all except Accor hotels had selected committees responsible for various functions, including setting the meeting agenda, organizing meeting logistics, managing the EWC budget, providing member training and resolving disputes [5].

#### Content analysis of the international hotel EWCs

A content analysis of the focus of the 7 international hotel EWC agreements contained in the EWCs database revealed clusters of consultation topics [4,5] (Table 1).

**Correspondence to:** Amina El Amin, Department of Business Management, University of Cairo, Cairo, Egypt, Email: amina.elamin@ucairo.edu.eg

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**Table 1:** EWC consultation findings.

EWC topics	Participating hotels
Economic and financial situation of the company	7
Corporate strategy and investment	6
Changes to working methods/ organization	6
Probable development of the business, production and sales	6
Employment situation and forecasts	6
Mergers take-overs or acquisitions	5
Collective redundancies	5
Vocational training	5
Company structure	4
Closures or cutbacks	4
Equal opportunities	4
Health and safety	4
Environmental protection	4
Reorganization of production	3
Other specified issues not mentioned above	3
Transfers or relocation	2
Traded Union Rights (TUR)	1
New technology policy	1
Corporate social responsibility	1
Human resource management practices	1

- 100% of the EWC agreements include hotel economic and financial issues.
- 86% of the EWC agreements involve consultation on corporate strategy and investment, work methods, business development and employment matters.
- 71% of the EWC agreements include topics of mergers and acquisitions, redundancies and training.
- 57% of the EWC agreements involve consultation regarding hotel structure, closures and cutbacks, equal opportunity, health and safety and environmental protection. 43% of the EWC agreements included the topic of reorganization of production.
- 29% of the EWC agreements included transfers and relocations.
- 14% of the EWC agreements had listed the topics of trade union rights, new technologies, corporate social responsibility and human resource management practices.

## CONCLUSION

EWCs is likely to provide the ability to enhanced hotel performance and to improve employee relations, given the opportunity of the EWCs to engage in discussions and consultation with upper management on important topics impacting their hotels across multiple EU area countries. However, there is room for improvement in the area of consultation on human resource management practices, corporate social responsibility and new technologies which are rarely included in the EWC agreements.

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