Organizational democracy, organizational participation, and employee ownership: Individual, organizational and societal outcomes

Edited by
Wolfgang G. Weber, Thomas Faurholt Jønsson and Christine Unterrainer

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Organizational democracy, organizational participation, and employee ownership: Individual, organizational and societal outcomes

Topic editors

Wolfgang G. Weber — University of Innsbruck, Austria

Thomas Faurholt Jønsson — Aarhus University, Denmark

Christine Unterrainer — University of Innsbruck, Austria

Table of
contents

Empirical studies investigating the effects of organizational democracy

Editorial: Organizational democracy, organizational participation, and employee ownership: Individual, organizational and societal outcomes

Wolfgang G. Weber[1], Christine Unterrainer[1]* and
Thomas Faurhold Jønsson[2]

[1]Applied Psychology − Work and Organizational Psychology, Institute of Psychology, University of Innsbruck, Innsbruck, Austria, [2]Department of Psychology and Behavioural Sciences, School of Business and Social Sciences, Aarhus University, Aarhus, Denmark

Editorial on the Research Topic
Organizational democracy, organizational participation, and employee ownership: Individual, organizational and societal outcomes

Organizational democracy (OD) refers to broad-based, and institutionalized employee participation that is not occasional in nature. Written rules, regulations and boards enable employees to exert influence on tactical and strategic decisions. This is realized through direct or representative co-determination or collective self-determination of the employees (e.g., worker cooperatives, self-governed firms). Additionally, employees often hold a share of their organization's equity capital (employee ownership) (Wegge et al., 2010; Weber et al., 2020). In contrast to research on decision making on the level of the individual job (e.g., job control) or the leadership dyad (e.g., participative goal setting) studies on the effects of democratic decision making or participation on higher levels exist only to a much lesser extent. Hence, this Research Topic aimed at collecting theoretical contributions, systematic research reviews and quantitative or qualitative empirical studies that help to clarify how OD, higher level participation or employee ownership are associated with psychological, organizational, or societal outcomes. Researchers have postulated that organizational participation and democracy would form a socialization field for personality development and societal responsibility through allowing employees to gather experiences in planning and decision making as well as mutual responsibility-taking (e.g., Pateman, 1970; Greenberg et al., 1996; Cohen, A., and Vigoda, 1998). Such a potential spillover effect is relevant for sustainable and democratic societies since we live in times of increasing debates about corporate corruption, the global environmental crisis, global inequality, or endangered societal cohesiveness.

Two articles in this Research Topic explicitly referred to this possible spillover effect. Rybnikova conceptually reflected Pateman (1970)'s spillover hypothesis and pointed to controversial considerations as empirical studies provided inconsistent evidence so far. The author identified main conceptual shortcomings for Pateman (1970)'s spill over hypothesis and

provided avenues for future theoretical undertakings in analyzing whether and how employees' OD on the strategic level (in general meetings or representative boards) and their participation in lower organizational units (e.g., working groups) is related to participation in social and political domains. Such avenues encompass, e.g., employees' psychological ownership and moral development (Hannah et al., 2011), or the theoretical perspective of neo-institutionalism. The latter exemplifies how implicit cultural norms in a society may frame the status of workplace democracy as legitimate or not, fostering or inhibiting spillover effects as a result. Though, Breitling and Scholl showed in their empirical contribution that the one-sided economistic motivation concept of parts of neo-institutionalism is not able to explain prosocial organizational behavior of works councils.

Schümann et al. argued with the help of the relational job design framework (Grant, 2007) how and why the effects of a participative work climate spill over to employees' prosocial behavior outside the work context. In concrete terms, this means that employees take the working conditions of workers in the supply chain into account when selecting and buying goods. Analyses of two-wave data that were collected via an online panel questionnaire from 492 employees working in various industries in Germany provided evidence that the relationship between employees' individually perceived socio-moral climate and their socially responsible purchase intention was mediated by their perceived social impact. With their question of the extent to which a participatory organizational climate through socialization of employees can contribute in the long term to eliminating the global grievances of the unjust distribution of working and living conditions, the authors are treading on a still little cultivated scientific land. We would be pleased if their exploratory study could stimulate future research that also incorporates, through a multi-level design, the potential influence of strategic codetermination and employee ownership on global solidarity behavior.

Three contributions of this Research Topic focused on democratic enterprises, whose financial viability in a capitalist market environment has long been contested (e.g., "degeneration thesis" by Webb and Webb (1914); "iron law of oligarchy" by Michels, 1915). In a systematic review of 77 qualitative studies from nearly 50 years, Unterrainer et al. were able to disprove those deterministic hypotheses by showing that democratic enterprises can economically survive, prosper, and resist degenerative tendencies in the long run. For practitioners, organizational and external conditions, practices and psychological phenomena that contribute to the degeneration, regeneration, or resistance to degeneration were extensively described.

In a mixed-methods study on a large cooperative of the Spanish Mondragon Corporation Arregi et al. found that due to COVID-19 participation in decision-making has declined in certain governance channels. This was especially true for blue collar employees. On the other hand, degenerative tendencies could be countered, e. g., the General Assembly was implemented online after holding informative talks in small groups. COVID-19 had strengthened employees' commitment with the economic situation of the cooperative and acts of solidarity with colleagues indicating a sign of robustness and regeneration, since socially-oriented targets prevailed over profit ones.

Organizational commitment was also the focus of a qualitative study by Rodríguez-Oramas et al., centered on two big cooperatives of the Mondragon Corporation. The authors found three ways how democratic participation of worker-members may have contributed to the development of affective commitment: identification with the representatives of the governing bodies, intensive learning processes, and acknowledgment as co-owners and as part of collective business efforts. These antecedents correspond with factors supporting retention or regeneration of democratic enterprise structure that were identified in the systematic review by Unterrainer et al. like intensive cooperative education and training, open criticism and discussion and permanent requirement for accountability of managers, and, further, workers' strong commitment to cooperative idea.

The German model of co-determination through union representatives represents a further domain of this Research Topic. Breitling and Scholl investigated how works council and employee participation affected 45 organizational and process innovations in large businesses representing a wide spectrum of economic sectors. Qualitative case analyses revealed different profiles of works council participation depending on the innovation type. Quantitative analyses showed that both forms of participation delivered positive contributions to innovation success via knowledge growth. Furthermore, coordination capability partially mediated the relation only between works councils and innovation success. These results correspond with earlier findings on the positive impact on productivity that works councils supporting participation enhancing interventions demonstrated in a study representative for the German economy (Zwick, 2004).

Using a free association test, a survey and a vignette method, Wu et al. provided an intercultural comparison of preferences and perceptions of voice- and group-based workplace participation. Chinese and American employees differed in their construal of workplace participation, yet both groups valued the concept of participation positively. In both cultures participation was positively associated with the experience of productivity and job satisfaction, and negatively with workplace conflict. Finally, American employees favored a high-participation workplace and predicted positive outcomes, while Chinese employees were slightly more supportive of a low-participation workplace associating it with higher productivity.

The last three articles of this Research Topic deal with empirical studies that investigated possible effects of OD. Geçkil presented a focused systematic review based on 37 studies in different private and public enterprises that applied the multi-dimensional Organizational Democracy Scale in Turkey. The main results suggested that perceived OD was positively related with organizational citizenship behavior, organizational commitment, psychological capital, and job satisfaction, whereas OD was negatively related with job stress and organizational depression. This paper represents the first focused overview of quantitative relationships between experienced OD and organizational psychological outcomes in Turkey. Its results allow comparisons with findings on OD from other countries. On this basis, conclusions can be drawn about the expression of psychological phenomena under different political and cultural conditions.

The relationship between OD and meaningful work considering corporate social responsibility (CSR) as a potential mediator was investigated by Svendsen and Jønsson. The authors collected self-reported, cross-sectional, individual-level data ($N = 204$) at two measurement points from different nations and industries. The

results of the SEM analyses confirmed that CSR perceptions partially mediated the relationship between OD and meaningful work. Hence, OD can play a direct role in increasing the experience of meaningful work, but also an indirect role trough employees' experience of CSR.

The final article of this Research Topic by Pap et al. deals with the protective function of a participative climate and supervisor support on service employees of a large clothing shop chain in Belgium. The authors applied a multi-level analysis and showed that participative climate (at the work-unit level) and supervisor support (at the employee level) significantly moderated the negative relationship between perceived customer incivility and job satisfaction.

Considering the articles gathered in this Research Topic together with existing research reviews from recent years (Lee and Edmondson, 2017; Battilana et al., 2018; Weber et al., 2020; Unterrainer et al.), at least the following research gaps and desiderata appear in addition to the new findings already mentioned:

(1) *The importance of participation and democracy in enterprises as a field of socialization for democracy in the society* has hardly been adequately researched empirically. Both conceptual (Rybnikova) and methodological problems have been clearly identified (Kim, 2021). Nevertheless, nearly no sophisticated longitudinal studies seem to exist of how socio-moral competencies and civic and political behavioral orientations can be fostered by democratic organizational structures and organizational practices, and what mediating psychological mechanisms and developmental processes play a role (cf. a meta-analysis by Weber et al. (2020)). Such longitudinal studies—with a contemporary theoretical-conceptual and methodological foundation—should also take into account the weight of other socialization instances in family, education and leisure time with regard to the outcomes mentioned.

(2) Even if the following tendency is not in the foreground of the contributions to this Research Topic, a *contrast to economistically reduced motivation theories* (which are based on postulates of the so-called rational choice paradigm and its axioms of hedonism, self-interest and egoistically directed social exchange) is noticeable in their majority. Authors of the present Research Topic refer in this respect to humanistically oriented theories like Deci and Ryan's self-determination theory, Pierce et al.'s psychological ownership theory, Bandura's social-cognitive theory, Kohlberg's approach of moral education, Grant's relational job design framework, Freeman's participation theory, and various offshoots of Pateman's spillover hypothesis. It seems to us an important task of future theoretical contributions in the field of organizational democracy research to investigate to what extent the included components of these theories are compatible with each other. To the extent that they are, appropriate theoretical elements could be integrated into a more complex theoretical framework. This could help to explore the interplay of societal and organizational conditions of democracy in the enterprise, participatory practices (knowledge exchange, planning, discourse, decision-making), collective and individual basic needs, values, motives, attitudes, experiences, and competencies, and resulting personal, organizational, and societal outcomes.

(3) Finally, the contributions of Geçkil, Svendsen and Jønsson, and Pap et al. suggest that the extent of organizational democracy

experienced by employees correlates positively with indicators of wellbeing and negatively with health-related indicators. Both a meta-analysis (Weber et al., 2020) and a systematic review (Unterrainer et al.) provided evidence that the impact potential of substantive organizational democracy (as opposed to non-binding workplace participation and voice) in terms of self-actualization, wellbeing (with the exception of job satisfaction), and *psycho-physical health of workers has hardly been explored* so far. Looking at recent research reviews from the field of Positive Psychology (for example, the contributions to the Research Topic edited by Van Zyl and Salanova (2022)), it is striking that even within the conceptualizations of "positive organizations" or of "positive participatory organizational interventions," employee-owned democratic enterprises and their typical collective communication and decision-making practices are completely ignored. As Battilana et al. (2018) have stated in their thorough conceptual review: "Yet surprisingly—as we will discuss—most of the discourse on alternative ways of organizing does not substantially invoke notions of democracy" (p. 259). Though, organizational democracy can be interpreted as a specific form of employees' control over their work environment. An extensive body of research has provided evidence that control on the level of the individual or the group plays in the prevention of work strain and impaired health (e.g., Theorell, 2004). Therefore, we would like to encourage psychological researchers to investigate whether control of employees at the level of the company is also an important resource not only for the overall wellbeing of the individual employee. It may also be a resource for the optimal functioning of the company and society according to the basic republican values of integrity, freedom, equality and fraternity.

Author contributions

WW and CU wrote the original draft of this editorial jointly. TJ reviewed and revised it. All authors contributed to the article and approved the submitted version.

Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Publisher's note

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Spillover effect of workplace democracy: A conceptual revision

Irma Rybnikova*

Department Lippstadt 2, Hamm-Lippstadt University of Applied Sciences, Hamm, Germany

The so-called "spillover thesis" by Pateman is one of the prominent theoretical explanations for why workplace-based participation and democracy could induce stronger political participation. By this thesis, Pateman underscored the relevance of industrial workplaces as relevant places where citizens can be socialized regarding democratic attitudes while proposing the educative effect of workplace democracy and assuming a strong linkage between workplace-based and political participation as moderated by self-efficacy. The spillover thesis has received a controversial consideration as previous empirical studies have provided inconsistent evidence. Some empirical undertakings support the assumption by Pateman and indicate a positive relationship between workplace democracy and societal effects, like increased moral and community orientation or higher levels of political participation among employees from companies with higher degrees of workplace democracy. Other empirical studies yield results that do not confirm the thesis. Scholars have discussed *method-based* shortcomings of the previous empirical research while pointing to the inconsistency of definitions and operationalizations as the main shortcoming. In contrast to that, systematic *conceptual* consideration of the spillover thesis and the accompanying scholarship are still lacking. The present article addresses this shortcoming and provides a critical reflection on the spillover thesis and corresponding research. It aims at identifying the main conceptual shortcomings and providing avenues for future theoretical undertakings in analyzing whether and how participation at the workplace is related to participation in political domains.

KEYWORDS

workplace democracy, political participation, spillover effect, Pateman, conceptual revision

Introduction

Although democracy is one of the contested terrains of social societies, the relationship between political democracy and workplace democracy represents a relatively understudied issue of political sciences as well as organizational sociology and psychology. In 1916, John Dewey pointed out, in his seminal work "Democracy and Education," that democracy in society is an educative project. According to him, schools could be considered hotbeds of democratic society since democratic practices can be

learned there. While proposing the genuine nexus between the educational realm and the development of democracy, Dewey (1916/1997) suggested that democratic skills could be acquired in institutional settings beyond the mere political context.

Currently, in many European democratic societies, widespread disillusionment and apathy regarding democratic systems could be observed; in some of those, oligarchic tendencies are becoming evident. The unsettling diagnosis, as formulated in the debate on post-democracy (Crouch, 2004), is seemingly becoming true: Small economic elites seem to dominate political decisions, whereas political parties and their leaders are largely concerned with marketing strategies and tools for vote generation. Given this diagnosis, the question whether political participation and genuine interest in democratic mechanisms could be nurtured by workplace democracy becomes particularly important.

In the field of industrial relations, it has been widely acknowledged that employment and its quality could have relevant social consequences. Scholars pointed to the nexus between workplaces and social domains by using the metaphor "the long arm of the job" (e.g., Meissner, 1971). One of the research areas that are particularly informative for dealing with this issue is the literature on workplace democracy. It includes research that spans different disciplines, including industrial relations, management and organization studies, organizational sociology, and psychology, and is related to different forms of work autonomy and organizational democracy.

When it comes to the question whether workplace democracy is related to political participation, scholars frequently refer to the so-called "spillover hypothesis" by Pateman (1970) as the conceptual foundation. The thesis points to the general educative effect of employee participation at the workplace, which is assumed to lead to higher political efficacy and civic attitudes among employees. Over time, employees are supposed to take part in political processes beyond the workplace in a way that is in line with democratic ideas. Pateman (1970) extended the focus beyond educative systems, as argued by Dewey (1916/1997), and supposed that business companies and workplaces bear an important educative effect of democracy.

The vast majority of the research on workplace democracy has focused exclusively on the analysis of individual or organizational effects such as employee satisfaction, company loyalty, innovative behaviors, or financial performance of the company (e.g., Long, 1982; McNabb and Whitfield, 1998; Cox et al., 2006). The extent to which workplace democracy can make a contribution beyond the focal company, that is, to society and politics by strengthening political democracy has received relatively little attention from scholars. Moreover, existing empirical studies (e.g., Adams, 1992; Weber et al., 2009; Weber and Unterrainer, 2015; Budd et al., 2018; Timming and Summers, 2020; Weber et al., 2020) have yielded inconsistent results. The meta-analysis performed by Weber et al. (2020) indicated that employees from companies with higher degrees

of workplace democracy tend toward an increased moral and community orientation and higher levels of political participation than individuals from organizations with lesser or no democratic arrangements. From the methodological perspective, empirical undertakings in this field have been criticized because of measurement problems, like inconsistent operationalization of dependent and independent variables (e.g., Kim, 2021). Until now, a research synthesis and a critical conceptual reflection of the studies undertaken in regard to democratic spillover from workplace contexts into political settings have only occurred in a fragmented way and thus calls for a more systematic and comprehensive approach.

Thus, the present article is a conceptual contribution that seeks to challenge the existing debate regarding the relationship between workplace democracy and its political effects by, first, identifying limitations and blind spots of previous conceptual discussion in this field and, second, by figuring out avenues for how our thinking of the nexus between the workplace-based democracy and political participation could be improved and could be studied empirically in prospective research.

While seeking to critically summarize and redirect existing research on democratic spillover, the present study rests on *an integrative literature review* as a method tool (e.g., Cronin and George, 2020). Empirical and conceptual articles that explicitly address the democratic spillover, according to Pateman (1970), were gathered through the search in academic databases, extended by specific references on the side of colleagues. The resulting research stems from various sub-disciplines of social sciences and respective communities of practice, including industrial sociologists, organizational psychologists, and management scholars. As the topic of this conceptual synthesis is the democratic spillover, the focus was solely given to the respective literature. In order to keep the scope of the article consistent, research that indirectly relates to the field of workplace democracy, for example, studies on participative leadership in organizations, has been omitted from the analysis as long as it does not explicitly deal with societal effects. All gathered articles have been juxtaposed and analyzed thematically regarding the main empirical and conceptual issues, like the operationalization of dependent and independent variables or conceptual frameworks used. The final list of the articles considered is provided in Table 1.

Since, Kim (2021) provided a comprehensive literature review on methodological shortcomings of the literature on democratic spillover, the main focus in the present analysis is given to the conceptual features of the selected literature, for example, the way the democratic spillover is conceptualized, different mechanisms of democratic spillover, and mainly neglected alternative explanations.

Before we proceed with the analysis of the debate on democratic spillover, one more comment is needed. There is a long-lasting controversy regarding suitable terminology. Some scholars more or less strictly discerned "organizational/workplace democracy" from "employee

TABLE 1 Overview of empirical studies addressing democratic spillover.

	Authors	Research context	Variables	Method	Results
1	Adman, 2008	Sweden	*Independent variables:* Workplace influence and participation (e.g., job autonomy in terms of perceived influence over the work conditions, face-to-face participation in terms of taking part in decision-making at work, workplace skill acts in terms of preparing meetings, holding presentations or writing letters) *Dependent variable(s):* Political participation (e.g., voting, membership in a political party, signing a petition)	Quantitative panel survey	No significant effect in long-term consideration
2	Budd et al., 2018	27 EU-countries	*Independent variables:* Employee participation (e.g., taking part in strategic decisions or decision about when to start and to finish work) *Dependent variable(s):* Political participation (e.g., voting, membership in a political party, signing a petition)	Quantitative survey (European Social Survey)	Support for a democratic spillover
3	Elden, 1981	USA; a non-union company	*Independent variables:* Job autonomy; beliefs regarding equity in decision making *Dependent variable(s):* Feelings of political efficacy; personal potency; social participation	Quantitative case-study	A significant relationship between job autonomy, political efficacy, and social participation
4	Geurkink et al., 2020	The Netherlands	*Independent variables:* Responses of supervisors to employee voices (suppressive vs. supportive) *Dependent variable(s):* Political participation (e.g., voting, membership in a political party, signing a petition)	Quantitative survey	A negative spillover between work and politics: suppressive responses of supervisors to employee voices trigger political participation
5	Greenberg, 1986	USA; employee-owned companies contrasted with traditional companies	*Independent variables:* Workplace participation (i.e., being an employed member of a cooperative or not) *Dependent variable(s):* Dealienation; democratic citizenship; class consciousness	Case studies based on qualitative interviews and quantitative survey (cross-sectional and long-term)	Limited and mixed effects of workplace participation on dependent variables; workers in cooperatives are not more politically efficacious than employees of conventional firms and only slightly more participating in politics

(Continued)

TABLE 1 (Continued)

	Authors	Research context	Variables	Method	Results
6	Greenberg et al., 1996	Democratic (e.g., cooperatives, employee stock ownership) vs. conventional union and non-union enterprises (wood mills)	*Independent variables:* Job autonomy index including participation in decision making, voting for board members, representative participation	Quantitative survey	Political participation is lower in democratic plants than in conventional plants; a negative relationship between workplace democracy and participation in voting; different forms of workplace democracy are related to different indicators of political participation, e.g., autonomy on the job is linked to participation in community affairs but not to voting or political campaigns; representative participation is negatively associated with all three forms of political participation
			Dependent variable(s): Participation in voting, participation in campaign activities participation in community affairs		
7	Jian and Jeffres, 2008	USA	*Independent variables:* Decision involvement at work; job autonomy; work community participation	Quantitative survey	Partial support of the democratic spillover: Decision involvement at work is positively associated with political voting; work community participation is positively associated with involvement in local communities, political parties, and campaign activities
			Dependent variable(s): Political participation (e.g., voting, membership in a political party, signing a petition)		
8	Lopes et al., 2014	15 EU countries	*Independent variables:* Autonomy at work (e.g., ability to change work methods, speed rate, independency from direct control, ability to learn new things)	Quantitative panel survey (European Working Conditions Survey)	There is a positive link between work autonomy and all indicators of civic behavior
			Dependent variable(s): Civic behavior (e.g., membership in political parties, trade unions, or volunteer work)		
9	Madsen, 1997	Denmark; trade union members	*Independent variables:* Work organization, e.g., self-governing groups, on-the-job-liberties; personal development and self-management at work; workplace participation in terms of workplace meetings, after-work meetings, having elected posts	Quantitative survey	The link between workplace democracy and political participation is moderated by employees' orientations: the spillover effect proves valid for collectivistic, but not for individualistic-oriented employees
			Dependent variable(s): Political participation (e.g., voting, membership in a political party, signing a petition)		

(Continued)

TABLE 1 (Continued)

	Authors	Research context	Variables	Method	Results
10	Mays, 2018	Germany	*Independent variables:* Autonomy at work (i.e., supervisory job, flexible working hours, degree of professional autonomy)	Longitudinal panel survey (SOEP)	Partial support for the democratic spillover: For the period 1985-2001, there is a link between some indications of autonomy at work (esp. having a supervisory position) and political interest as well as civic engagement
			Dependent variable(s): Political interest; political participation (e.g., voting, membership in a political party, signing a petition)		
11	Peterson, 1992	USA; residents of a small city	*Independent variables:* Workplace politicization (e.g., workplace as politics, workplace efficacy, workplace participation, i.e., taking part in workplace decisions)	Quantitative survey	A significant positive relationship between workplace politicization (all elements considered) and political participation
			Dependent variable(s): Political orientations (e.g., political interest and efficacy); political participation (e.g., voting, membership in a political party, signing a petition)		
12	Pircher Verdorfer et al., 2013	North Italy; cooperatives and conventional firms compared	*Independent variables:* Organizational democracy (i.e., working in a cooperative)	Quantitative survey	Organizational democracy has a positive impact on the perceived socio-moral climate in organizations which is positively related to pro-social work-related employees' attitudes
			Dependent variable(s): Perceived socio-moral climate (e.g., support and care by supervisors and colleagues; organizational concern for the individual); pro-social and community-related behavioral orientations (e.g., altruism, solidarity at work, democratic engagement orientation)		
13	Sobel, 1993	USA	*Independent variables:* Occupational involvement, e.g., authority in terms of formal ability to instruct others, supervisory responsibility, work participation in terms of involvement in workplace decisions, job participation in terms of participation in running own job	Quantitative survey	Partial support for the democratic spillover: occupational involvement leads to political participation
			Dependent variable(s): Political participation (e.g., voting, membership in a political party, signing a petition)		
14	Spreitzer, 2007	32 countries	*Independent variables:* Participative leadership; empowerment at work in terms of decision-making freedom	Quantitative secondary analysis from the GLOBE project and European Value Survey	The relationship between participative leadership, employee empowerment at work, and peace is moderated by the legitimacy of leadership style, reduced feelings of helplessness, and building capability for voice
			Dependent variable(s): Peace in terms of the perceived level of corruption within a country, risk of political instability, armed conflict, social unrest, and international disputes and tensions		

(Continued)

TABLE 1 (Continued)

	Authors	Research context	Variables	Method	Results
15	Tak, 2017	Venezuela; cooperative members compared with members from other associations	*Independent variables:* Frequency of attending membership meetings	Quantitative survey	Cooperative members have a higher likelihood of being involved in community matters than those from other types of associations
			Dependent variable(s): Community involvement (e.g., donating money, attending community meetings, trying to organize groups to solve specific problems)		
16	Timming and Summers, 2020	27 EU-countries	*Independent variables:* Participation in decision-making (i.e., perceived ability to decide how the work is organized, to influence workplace decisions and work pace)	Quantitative survey (European Social Survey)	Participation in decision-making is strongly linked to an increased interest in politics and wider pro-democracy affect
			Dependent variable(s): Interest in politics; pro-democracy affect		
17	Weber et al., 2008	Austria, North Italy, South Germany, and Liechtenstein; employees from small and medium-sized enterprises	*Independent variables:* Organizational democracy (i.e., different forms of structurally embedded workers'participation in decision making including co-determination; seven levels of organizational democracy)	Quantitative survey	Democratic structures lead to a higher level of socio-moral atmosphere which positively influences employees' solidarity and the willingness to engage in democratic undertakings
			Dependent variable(s): Socio-moral atmosphere; work-related pro-social orientations (e.g., empathy, solidarity at work); community-related value orientations (e.g., willingness to act socially responsible)		
18	Weber et al., 2009	Austria, North Italy, and Southern Germany	*Independent variables:* Perceived participation in decision-making	Quantitative survey	Workplace democracy is positively related to the socio-moral climate, organizational commitment, and prosocial and community-related behavioral orientations of employees
			Dependent variable(s): Perceptions of socio-moral climate; pro-social behavioral orientations; democratic values; commitment to the firm		
19	Weber et al., 2020	Democratic enterprises; national and international samples	*Independent variables:* Organizational democracy (i.e., participation structures, employee ownership, perceived participation in organizational decision-making) *Dependent variable(s):* Psychological outcomes (e.g., job satisfaction, job involvement/work motivation); prosocial work behaviors; civic and democratic work behaviors; perceived supportive organizational climate	Meta-analysis	Employees' perceived participation in decision-making is related to pro-social and civic behavioral orientations; employees' direct participation in strategic and tactical organizational decisions are related to value-based commitment, job involvement, and job satisfaction as well as to a supportive climate

participation," arguing that employee participation is a preliminary form of workplace democracy that is usually arranged by managers and mainly relates to operational issues (Weber, 1999). In contrast to this, workplace democracy is said to refer to structural instances of co-determination and strategic co-decision-making by employees or organizational members. Other authors (e.g., Dachler and Wilpert, 1978) did not distinguish between these terms so strictly, arguing that they are strongly interlinked and there exist only slight or gradual differences between them Wegge et al. (2010) provided an integrative approach toward the conceptualization of workplace democracy, which encompasses institutional (e.g., employee-managed organizations), organizational (e.g., employee participation in decision-making, works councils), and group-related (e.g., shared leadership) levels of workplace democracy (Wegge et al., 2010; p. 155). Following the latter and for the aims of consistency, the term "employee participation" will be abandoned in the following text, and the terms workplace and organizational democracy will be used synonymously for depicting any institutional arrangements that aim at providing employees with opportunities to take part in workplace-related decision-making.

The argument of the present conceptual analysis will proceed as follows: After delineating the argument on democratic spillover, as made by Pateman (1970), I summarize the main results and limitations of previous empirical studies that have tried to verify Pateman's thesis. In the main section of the article, I discuss the most relevant conceptual limitations of the previous debate, like different mechanisms of the democratic spillover, different potential kinds of this relationship, and the multidetermined nature of the considered link. The last section of the article includes several conceptual and methodological avenues for prospective research in this field.

The "spillover hypothesis" by Carole Pateman

Although based in political sciences, Carole Pateman, a British-American scholar, is one of the few authors who are referred to in organizational psychology and sociology when it comes to conceptual underpinnings of workplace democracy as she provides one explanation for how organizational and societal layers of democracy could be linked. Nevertheless, Pateman's argument is driven by the democracy debate in political sciences. In "Participation and Democratic Theory" (1970), one of her earlier works, Pateman differentiated between two concepts of democracy. The first concept is the "elitist" understanding of democracy, which is based on the elite power of a few due to the apathy of voters. In contrast to it, Pateman proposed an alternative, "participative" understanding of democracy. This concept draws on wider participation by the masses, pointing to the fact that the apathy of voters is not the premise of democracy

but the result of an elitist approach that limits participation opportunities to few individuals.

The argument developed by Pateman rests on two major assumptions. The first goes back to Jean-Jacques Rousseau's political theory. Based on that, Pateman assumed that individuals and social institutions "cannot be considered in isolation" (Pateman, 1970; p. 42). As psychological attitudes of individuals are strongly interlinked with authority structures in institutions individuals are encountered with, these institutions could have educative effects and frame individual attitudes in favor of democratic developments. Accordingly, Pateman argued that "the major function of participation is an educative one" (Pateman, 1970, p. 38). Together with Rousseau, Pateman based her argument on the wide understanding of "education" that refers to developing "responsible, individual social and political action," during which individuals learn to take "wider matters than their own immediate private interest" into account and to learn "that the private and public interests are interlinked" (Pateman, 1970, p. 24–25). Pateman summarized that "participation in the workplace" or "industrial democracy" (Pateman, 1970, p. 54) bears the humanistic potential of personality development toward a democratic personality. This kind of education takes place through the psychological mechanism of increased political efficacy as well as through gaining practice in political skills and procedures (Pateman, 1970, p. 42).

In her second major proposition, Pateman has dealt with the role of immediate workplaces while developing democratic personalities. Here, she referred to George D.H. Cole and John Stuart Mill, both of whom argued that democratic principles can be applied beyond the purely political sphere. Among others, labor structures and workplaces could be approached from the perspective of democracy and participation since here, issues such as task differentiation and collective task accomplishment, subordination, and superiority stand at the core of social activity. Because of that, workplaces represent suitable settings for the educative effects of participation. Furthermore, Pateman pointed out that democracy requires a wide net of "social training" toward democratic attitudes and psychological qualities that take part in workplaces through the process of everyday participation. To be educative in democratic terms, workplaces should entail democratic or participative elements. Pateman stressed the utmost relevance of democratization of the authority structures in industry. According to the author, individuals who are able to exercise a certain amount of control "over their job and job environment" and are participating in decision-making in their companies can develop attitudes and qualities as required by the democratic processes (Pateman, 1970, p. 56). Pateman suggested enabling such participative structures at workplaces in order to establish a basis for a democratic society (Pateman, 1970, p. 43). By democratizing industrial settings and by providing equal participation to ordinary people, the author said that the reasons for economic and political inequality could be diminished too.

To sum up, Pateman claimed that industry and work organizations play a crucial role in socializing employees toward democracy through participative workplaces (Pateman, 1970, p. 42–43). Hence, workplace democracy is supposed to have an educative function in democratic terms, and the industry is assumed to play a crucial role in sustaining a democratic society (Pateman, 1970, p. 44).

Although her first proposition is based on a genuine psychological effect, Pateman did not explicate the role of underlying psychological processes sufficiently. According to the author, "experiences of participation in some way leaves the individual better psychologically equipped to undertake further participation in the future" (Pateman, 1970, p. 45). Participation may induce "the sense of political efficacy and political competence" (Pateman, 1970, p. 46). While quoting some psychologists of her time, Pateman argues that the sense of political efficacy is related to personal effectiveness and belief in one's competence, which leads people to be more likely to participate in politics (Pateman, 1970, p. 46). Based on selected empirical studies at the time of her writing this article, Pateman could see evidence supporting her theory and confirming that participation in different spheres is necessary to develop political efficacy and that industry represents the most important sphere for participative education (Pateman, 1970, p. 50–21).

Two notes are relevant concerning the terminology used in the debate. First, Pateman does not use the term "spillover" in her work. It could be an intriguing undertaking to figure out how the original thesis of democratic socialization became "the spillover hypothesis" in the research literature. Second, it is relevant to mention that "spillover" represents a metaphor describing the processes mentioned. However, this metaphor is not completely adequate for what Pateman proposes since it implies a rather mechanistic view of participation. The metaphor of a spillover frames participation as a liquid that cumulates and spills over from one barrel (sphere) into the next as soon as a critical point is achieved. In contrast to that, Pateman's argument represents in its core a "socialization and learning hypothesis," pointing to the fact that people become socialized or learn democratic and participative processes in different domains (e.g., education, work, and politics) through accumulating skills and qualities, like political efficacy, as needed for political participation.

Spillover thesis: Empirical and method-based issues

Mixed empirical findings from previous research

For many decades, workplace democracy has attracted the attention of scholars and researchers from different subfields of social sciences, including organizational psychology. One of the questions workplace democracy research traditionally

deals with is the issue of the consequences of democratic and participative schemes in companies. The vast majority of existing research has focused on organizational and thus company-based consequences, either in terms of psychological performance, such as employee satisfaction, motivation, loyalty, and innovative behaviors (e.g., Jenkins and Lawler, 1981; Miller and Monge, 1986; Geralis and Terziovski, 2003; Bakan et al., 2004; Wright and Kim, 2004; Pereira and Osburn, 2007), or in terms of financial performance (e.g., Long, 1982; McNabb and Whitfield, 1998; Cox et al., 2006).

Although mentioned several times (e.g., Dachler and Wilpert, 1978; Adams, 1992), the extent to which workplace democracy can contribute to society by strengthening processes of political democracy has been addressed considerably less, with the result that empirical findings are relatively scant. In his critical overview, Kim (2021) identified 25 studies published in international journals between 1981 and 2020, where scholars have explicitly dealt with the relationship between workplace democracy and political participation. Empirical findings regarding the spillover effect have been heterogeneous and contradicting so far.

The majority of empirical findings from previous studies (Elden, 1981; Peterson, 1992; Madsen, 1997; Spreitzer, 2007; Weber et al., 2008, 2009; Pircher Verdorfer et al., 2013; Lopes et al., 2014; Tak, 2017; Budd et al., 2018; Timming and Summers, 2020) has indicated a more or less significant relationship between workplace democracy and political activities. This result proves true despite the highly diverse research settings and contexts that are encountered here. Some studies are based on cross-sectional data from one particular country, like the United States, Italy, Denmark, or Venezuela (Elden, 1981; Peterson, 1992; Madsen, 1997; Pircher Verdorfer et al., 2013; Tak, 2017); other studies are conducted by drawing on international panel data (Spreitzer, 2007; Lopes et al., 2014; Budd et al., 2018; Timming and Summers, 2020). Some work particularly has focused on cooperatives and employee-owned organizations (e.g., Weber et al., 2008; Pircher Verdorfer et al., 2013; Tak, 2017) while assuming a dense workplace democracy there; the remaining work has not taken this specific form of organizations into account.

However, there is also empirical work that has yielded only partial or limited empirical proof (Sobel, 1993; Jian and Jeffres, 2008; Mays, 2018; Weber et al., 2020). Studies performed by Greenberg (1986), Greenberg et al. (1996), and Adman (2008) have shown that the relationship between workplace democracy and political participation is either insignificant or inconclusive or there is no link. Moreover, Geurkink et al. (2020) observed an oppositional relationship in their study, with political participation being triggered not because of democratic workplaces but also because democratic instances at work are lacking or opportunities for workplace democracy and voice expression are suppressed by supervisors. This shows that not workplace democracy but its prevention leads to

political activities, such as voting or becoming a member of a political party.

Method-based debates

Even though there are a number of empirical studies that provide at least partial support for a spillover effect from the workplace context into the political sphere, definitive empirical evidence of the conceptual argument by Pateman is still weak and not sufficient. Potential reasons for that have been seen in several methodological shortcomings of the empirical undertakings so far. In a self-critical manner, authors have mentioned a number of methodological challenges, like endogeneity, selection biases, generally omitted variable biases, and reverse causality (Budd et al., 2018). In his analysis of measurement issues in the previous empirical research regarding democratic spillover, Kim (2021) identified several shortcomings that limit the validity of previous empirical research. In particular, Kim (2021) pointed *to heterogeneous construct operationalizations*, which lead to inconsistent and mainly insufficient measures as used by the scholars in the case of the independent variable (i.e., workplace democracy) and dependent variable (i.e., political activity). In the following paragraphs, I deal with both variables and respective constructs in more detail.

Workplace democracy as the independent variable is a particularly complex terrain. This has to do a lot with the research history. The concept of workplace democracy goes back to the humanistic perspective on organizations (Adams, 1992). It mainly draws on the idea that employees "should be able to participate in decisions which critically affect their conditions of employment" (Adams, 1992, p. 19). One of the characteristics that have been featured as related to workplace democracy is that this term represents a relative category (Stohl and Cheney, 2001). First and foremost, workplace democracy is considered a term that expresses an "alternative" way to manage and structure organizations in contrast to the traditional and thus hierarchical ways of organizing work.

Initially, there was a shared understanding that workplace democracy is characterized by non-hierarchical modes of management, private collective ownership, and democratic decision-making (Diefenbach, 2020). Similarly, Battilana et al. (2018) pointed out that different positions share the idea of workplace democracy as an organizational model that "involves (a) a broad diffusion of decision rights and (b) an organizational culture that entails some form of commitment to integrate individual perspectives with that of the broader organization; and finally, (c) in some cases, a broad diffusion of ownership rights."

A more thorough look reveals that there is a wide array of heterogeneous organizational practices that are subsumed to workplace democracy with the result that its

operationalization becomes a particularly challenging issue. In the conceptual considerations, different forms and areas of workplace democracy are discerned. Accordingly, Marchington and Wilkinson (2005) differentiated between (a) direct communication (e.g., face-to-face or written communication), (b) participation in decision-making and problem-solving (e.g., work circles, quality circles, health and project circles, and organizational systems for suggestions and complaints), (c) representative participation (e.g., representatives as elected by employees like works councils, trade unions, and collective bargaining), and (d) financial participation (e.g., profit-sharing, bonuses or stock options, and employee-owned companies).

One popular way to bring some differentiation into the operationalization of workplace democracy is to discern several degrees of it along the so-called "escalator of employee participation"—a metaphor that expresses various levels of participation provided to employees. the lowest level is represented by "information and communication to employees," for example, providing selected business information to employees; it is followed by steadily rising degrees of participation at work, like "consultation," for example, managers being formally or informally consulted by employees, and "co-determination," which means that employees are taking part in strategic decision-making. "Employee control," for example, employees making strategic decisions, represents the highest level of organizational participation (Wilkinson et al., 2010).

To sum up, workplace democracy remains an "umbrella concept" that encompasses different and highly heterogeneous models of decision-making structures as well as modes of organizational ownership. There are good reasons to assume that each form of workplace democracy can exert different influences on organizations and their members, including their skills and attitudes. Pateman (1970) pointed out in her work that different forms of workplace democracy assumingly lead to quite different effects in terms of political efficacy and participation skills to be learned. For example, representative forms of workplace democracy, Pateman argued, potentially have the lowest effect. Similarly, Greenberg et al. (1996) proposed that the research should go "beyond simple political spillover" and take into account different forms of workplace democracy. The scholars have also stressed that the effects of direct and representative workplace democracy should be considered separately.

As Adman (2008) and Kim (2021) pointed out, empirical studies till now fail to consider a full range of different types and levels of workplace democracy. There is also a lack of thorough consideration of formal and informal ways of workplace democracy. In the majority of the considered research, workplace democracy is measured as perceived autonomy at work in terms of being free to take part in decision-making and being able to change working methods or to decide when to start and to stop working (e.g., Elden, 1981; Peterson, 1992; Spreitzer, 2007; Budd et al., 2018;

Timming and Summers, 2020). Although of crucial importance, perceived work autonomy only insufficiently covers structurally embedded modes of workplace democracy, like face-to-face participation or participation through works councils. There are only a few studies where structural types of workplace democracy are considered explicitly, with Weber et al. (2008) providing one of the rare examples of how institutional formats of workplace democracy could be operationalized. Based on such instances of workplace democracy, like the existence of works councils or similar collective decision-making structures, the authors distinguish seven levels of workplace democracy and provide a type-based index of workplace democracy for companies. Some authors (e.g., Pircher Verdorfer et al., 2013; Tak, 2017) have tended to tackle the issue of the structural side of workplace democracy while contrasting cooperatives and employee-owned companies with conventional firms, assuming that the former, in general, provide more democratic work settings than the latter. However, this implicit assumption has to be scrutinized since research on cooperatives demonstrates a huge diversity of cooperatives and shows that cooperatives are not necessarily democratic organizations since their aims, values, and ways of organizational decision-making are highly varying and oligarchic tendencies are one of the essential struggles in cooperatives (e.g., Varman and Chakrabarti, 2004; Heras-Saizarbitoria, 2014; Jaumier, 2017).

Similar criticisms have been raised in regard to the measurement of *political participation as the dependent variable*. A wide range of variables has been used as indicators of political participation. Several studies (e.g., Peterson, 1992; Sobel, 1993; Adman, 2008) used a summative index that consists of several indications of political participation, including highly heterogeneous variables as interest in politics, voting, membership of a political party, campaigning, and community activities. A critical consideration of potential discrepancies between these separate indicators is still lacking, although results from several studies pointed to the importance of considering these indicators in a differentiated way since different forms of political participation relate differently to perceived workplace democracy (e.g., Sobel, 1993; Greenberg et al., 1996). Another measuring approach is based on using rather general indicators, such as civic behavior, solidarity, or moral and pro-community orientation (e.g., Weber et al., 2008; Lopes et al., 2014). Although of high value, these variables are quite distal to political participation in terms of taking part in political decisions. To sum it up, political participation as a dependent variable has been operationalized in previous research either in a too wide or too strict sense, with both ways having far-reaching consequences for the validity of empirical findings. The empirical evidence is considerably threatened by the resulting inconclusiveness of operationalization and by lacking consideration of differences between included foci of political participation (Kim, 2021).

Spillover thesis: Conceptual issues

In addition to the measurement-based limitations of the previous scholarship regarding the spillover thesis as discussed earlier, there is a number of conceptual limitations and unresolved questions too. As conceptual and empirical issues are strongly interlinked, a one-sided discussion regarding the democratic spillover and lacking solid empirical proof are the results of it. Although most of the conceptual questions are not new since they have been raised in previous research, the considerations until now have remained highly fragmented. In the following text, I provide a more systematic overview of the most relevant conceptual limitations and discuss them in more detail.

Heterogeneous mechanisms of democratic spillover

The complexity of the argument by Pateman and, at the same time, its vagueness have led to different reinterpretations of it. The basic assumption, as shared by all these reinterpretations, is the idea of formal similarity between political and workplace realms. Both domains are assumed to be alike in that they share authority structures and main processes of decision-making (Greenberg, 2008), with the result that the potential transfer of participation experiences between the workplace settings and political settings could be assumed as high. When it comes to concrete reasoning of what constitutes the democratic spillover, an array of slightly different reconsiderations of Pateman's idea can be found in the research that has been conducted in the field. In his literature review, Greenberg (2008) pointed out at least three subsequent theses that have been derived by scholars from the original work by Pateman to undergird the nexus between workplace democracy and political participation. Each of these theses represents slightly different underlying psychological mechanisms in explaining how and why workplace democracy could have an impact on political participation. The theses are as follows:

1) *The thesis of increased efficacy* states that the sense of personal efficacy achieved by participating in one realm can be carried into other institutions. This is the main argument as proposed by Pateman (1970), who argued that when people are given opportunities to participate in their workplace context, they gain personal efficacy, which can lead to stronger or more effective participation in political processes.

2) *The thesis of the increased sense of commonality* suggests that opportunities to take part in decision-making regarding one's work, to discuss relevant issues with colleagues, and to reach an agreement lead to an increased social orientation of individuals. Such circumstances encourage people to deal with different positions and require that diverse interests are

considered. Individuals become familiar with going beyond their personal interests and taking the needs of others more into account. Thus, this thesis claims for changes in interests and motives of behaving when having an opportunity to participate in decision-making at own workplace.

3) *The thesis of increased democratic skills* proposes that democratic workplaces with factual participation opportunities equip employees with relevant skills that are needed in any democratic setting and could be transferred beyond workplaces. According to Greenberg (2008), these skills include rhetorical competencies, such as speaking publicly, or organizational competencies, like moderating meetings and discussions.

The last thesis has currently received scholarly attention, for example, the study conducted by Summers and Chillas (2021) on employee-owned companies. The authors suppose that workplace democracy, for instance, concretely firm ownership by employees, supports individual democratic skills and competencies. Based on results from a qualitative study, Summers and Chillas (2021) further differentiated between two sets of democratic skills: First, there are democratic skills related to economic issues. The authors call them "skills in *economic* democracy." These skills represent business owner skills, like financial literacy, business planning, and considering strategic issues of the business. Second, some skills directly link to *democratic* questions and give more emphasis to democracy and democratic functions, like building egalitarian relationships, achieving collective aims, and expressing opinions, but also socio-emotional skills, like empathy, caring, and regard for others. The authors call those "economic democracy skills." They argue that these skills are the results of democratic workplace settings as they are often given in employee-owned companies and as they are required by a democratic society, just like Pateman (1970) claimed. Summers and Chillas (2021) considered these two sets of skills in economic democracy as a crucial factor for answering the question of organizational performance in the case of employee-owned companies.

As Pateman (1970) considered political efficacy as the most crucial moderator between workplace democracy and political participation, the issue of remaining potential moderators also deserves to be raised in regard to the underlying mechanisms of democratic spillover. This particular issue has received only scarce scholarly attention until now and still lacks a systematic analysis. For example, Greenberg et al. (1996) argued in favor of the economic situation of the firm (i.e., being in trouble or not) as a potentially important moderator for the relationship in question.

Notwithstanding the considerations provided, there are several unresolved issues related to the different mechanisms of democratic spillover. First, there remains to be clarified how different mechanisms of democratic spillover are interlinked, for example, whether acquiring political efficacy corresponds with gaining democratic skills and an increased sense of commonality. Second, a robust explanation of how and under

which circumstances respective skills are acquired and under which conditions they are not is still lacking. Here, an in-depth consideration of potential moderators could be of particular importance when revealing the explanatory processes of democratic spillover. It is also to be clarified which skills acquired in the course of workplace democracy are related to political participation and which are not and thus when the mechanisms mentioned work and when they do not and why. It becomes clear that these issues need additional and substantial conceptual attempts in order to be resolved and to provide a more precise idea concerning the questions of "how" and "what" of democratic spillover.

Alternative explanations

Empirical scholars have repeatedly pointed out that the relationship between workplace democracy and political participation is probably more complex than assumed by Pateman. The argument of democratic socialization and political efficiency through workplace democracy, as conveyed by Pateman, deserves to be scrutinized. Beyond the mere positively moderated spillover, different types of links between organizational and political democracy can be identified.

One alternative kind of relationship that has received only scarce attention by researchers until now is *reverse causality* as the democratic spillover can be thought of in the reversed direction: as a spillover from the political realm to the workplace settings. It means that not workplace democracy leads to political participation, but vice versa is the case: because of political participation, citizens are more prone to take part in democratic measures at work (or to expect such opportunities). It could thus be assumed that experience made in political settings can affect workplace behavior and expectations regarding job autonomy and decision-making at the workplace. Nevertheless, this relationship could potentially be moderated by political efficacy. Early support for the thesis of reversed causality was provided by Witte (1980), who stated that employees taking part in participation programs are significantly more likely to have participation experiences in the political realm. In a similar vein, the study by Pineiro Harnecker (2009) in the field of Venezuelan worker cooperatives has yielded results that at least indirectly point to the reverse causality. The author argued that when cooperative members have experiences in community participation, these cooperatives develop a higher degree of social consciousness and solidarity with local communities. Accordingly, Kim (2021) suggested performing research that would be able to rule out alternative explanations, like reverse causality. From a conceptual perspective, a broader minded and thorough analysis of possible relationships between workplace-based and political participation, as well as of political learning processes, in general, would be more fruitful than just ruling it out.

The next alternative way of framing the nexus between the workplace and politics is *the negative spillover*: It could be assumed that under certain conditions, workplace democracy leads to lesser political activity, like lower participation in elections. In the debate on democratic spillover, this issue has been considered only by a few scholars till now. Schweizer (1995) and Carter (2006) pointed to a potentially negative spillover from workplace democracy to the political realm because of structural differences. The authors pointed to the fact that workplace democracy and political efficacy as resulting from it are mostly nurtured by direct participation at the workplace; in contrast to this, political democratic structures are mainly based on representative formats. This structural difference may discourage employees who are familiar with taking part in workplace-oriented decisions from participating in the political realm.

In addition, we should take the complexity of potential effects into account since in the context of workplace democracy, employees gain different experiences, with some of them contributing to the sense of efficacy and others not. For example, in the case of pseudo-participation, where employees are not provided with serious opportunities to take part in decision-making and are instead increasingly controlled by participative measures (Mccarthy, 1989), the development of political effectiveness is rather less likely. Instead, in this case, political disappointment, powerlessness, or senselessness could be expected. Political disappointment could also be the case when workplace democracy is seriously intended, as soon as democratic undertakings are experienced as particularly time- and resource-consuming, often fraught with conflicts.

Negative spillover also relates to increased political participation not because of workplace democracy but because of the absence of it. For example, Geurkink et al. (2020) showed in their study that suppressing the voice of employees triggers their political participation. Supporting the same thread of argument, Lup (2022) provided results indicating that there is a path between discrimination experienced by employees at the workplace and their subsequent political activity.

To sum it up, positive spillover from the workplace to politics, as argued by Pateman, seems to be an ideal and not a regular case. Different (positive as well as negative) effects on political participation from successfully practiced workplace democracy as well as from failed workplace democracy (e.g., pseudo-participation) are possible. This requires a more differentiated consideration of the underlying mechanisms than was the case in previous studies.

Dynamic nature of democratic spillover

One additional issue that underscores the fact that the relationship between workplace democracy and political participation is a non-direct relationship refers to dynamic and time-based processes. As Adman (2008) has demonstrated in his work, cross-sectional results show some significant associations between workplace and political participation. However, these links prove insignificant in long-term consideration. It remains open to what might be the role of time and time lag in this respect. Our knowledge is still limited on how long it takes to "learn" democracy and participation at the workplace and whether democratic spillover could be assumed immediately after first encounters with workplace democracy or rather with a considerable time lag. When dealing with these issues, research on time in organizational socialization processes (e.g., Ashforth, 2012) might be of particular help.

The time dimension implies that the spillover effect may follow a dynamic trajectory and leads us to think about a stage-based relationship between workplace democracy and political participation as one potentially helpful way to explain it. That would mean that this relationship should be considered a developing relationship, as framed by certain dynamic patterns. As workplace democracy is a process with its ups and downs, different stages can be assumed, such as the "first encounter," "euphoric stage," "stage of disillusionment," and "stage of realistic agency," with each stage potentially bearing different effects regarding political participation.

Institutional settings to be considered

One additional issue that deserves explicit attention, but has received only cursory consideration in the previous studies, is the institutional layer of the democratic spillover. In previous research, country-related issues, if any, have received rather formal attention by treating them merely as a control variable, although the countries studied have a quite specific historical legacy and present agenda in regard to workplace democracy, be it the law of co-determination in Germany or the self-management in the Balkan countries. A thorough analysis of local beliefs and formal institutions regarding workplace democracy and political participation is mainly absent. The result is that our knowledge regarding the effects of workplace democracy is particularly generic and cursory as long as local country- and company-specific institutional settings remain disregarded.

Previous research has also mainly ignored any interconnections between different institutional levels of democratic socialization, including families and the educational sector. Thus, our knowledge about how experiences from the education system relate to workplace democracy is limited. We still do not know whether styles of primary and secondary socialization (e.g., education in families, schools, and high schools) cumulate or rather collate with tertiary socialization (e.g., workplaces). We also do not know what happens when education and the workplace stand in a sharp conflict, as might be the case when democratically socialized young employees

are confronted with hierarchic authority structures at the workplace and lacking elements of participation and workplace democracy. We also do not know whether these collusions of socialization lead to a negative or rather positive spillover regarding political behavior.

Future research prospects

Previous sections indicate numerous ways prospective research on democratic spillover needs to consider in order to achieve more consistent and comprehensive results. Ideally, conceptual and empirical issues should simultaneously be taken into account as unresolved conceptual shortcomings cannot be counterbalanced without empirical and method-based progress. In the following paragraphs, I indicate general avenues that may pave the way for prospective research on democratic spillover.

Extended theoretical framework

Although the sheer elegance of Pateman's (1970) argument is beckoning, the analysis provided earlier makes clear that the original model, as proposed by Pateman, is too vague and needs theoretical amendments or theoretical syntheses with other theories or frameworks in order to adequately explain underlying processes and to guide respective empirical undertakings.

A potentially fruitful approach is the concept of *psychological ownership* (Pierce et al., 2001, 2004; Pierce and Jussila, 2010). drawing on the idea of collective ownership, the concept of psychological ownership points to, for example, a higher self-efficacy (Bandura, 2006), a sense of belonging, the perceived responsibility, and identification with a certain social group (e.g., Pierce et al., 2001; Avey et al., 2009) as mechanisms that explain why workplace democracy could have positive effects onto organizational behavior of individuals. Whether psychological ownership could be fruitful when explaining democratic spillover and how these explanations could look like might be valuable undertakings for prospective studies. In particular, the arguments of psychological ownership might be useful when tackling the issue of different mechanisms of democratic spillover, as considered in heterogeneous mechanisms of democratic spillover. When trying to consolidate previous heterogeneous assumptions regarding the democratic spillover, mechanisms of psychological ownership like the sense of belonging or the perceived responsibility might be relevant explanations for when workplace democracy spills over to social and political activities of employees beyond their workplaces and when not.

The concept of psychological ownership could also be helpful when dealing with non-participation, both in the case of employees at the workplace and citizens in the political realm. This issue has been neglected until now in the field of democratic spillover since scholars have implicitly assumed that participation is the regular case, and non-participation is just a marginal sub-topic. Looking for when and why workers or citizens refuse to take part in decision-making, despite manifold opportunities provided (Mccarthy, 1989), is an issue that deserves in-depth theoretical considerations. Psychological ownership could be one potential point of departure since it allows raising such questions as when self-efficacy and sense of belonging do not evolve and what consequences it could have for democratic engagement.

What deserves explicit consideration too are new issues emerging from current management practices, for example, agile work methods. Although claimed to represent modern forms of workplace democracy (e.g., Boes et al., 2018; Sauer et al., 2021), the issues of workplace agility are still barely covered by the previous research from the democratic spillover. Once again, the concept of psychological ownership could be helpful in analyzing and explaining various effects of agile working on employees, including the consequences of workplace agility on societal and political participation.

Although, Pateman (1970) has argued in favor of the educative effects of workplace democracy in regard to political democracy, she remains quite generic in explaining it. The consequence is that alternative explanations, like reverse causality or negative spillover, should be taken into account, as discussed in alternative explanations. A potential theoretical underpinning for the original argument as brought forward by pateman could be provided by the concept of *moral development in organizations* (Hannah et al., 2011). The concept proposed by Hannah et al. (2011) links moral sensitivity to moral action, just like the democratic spillover relates employees' experiences at the workplace to the increased sensitivity toward democratic issues and actions (e.g., political activity). Hence, the concept of moral development in organizations could be a promising theoretical frame when explaining whether and under which conditions democratic learning is taking place in working settings and leads to political activities of employees, as proposed by Pateman (1970).

When it comes to an insufficient consideration of institutional settings of democratic spillover, as mentioned in institutional settings to be considered, the integration of arguments from the theoretical perspective of *the sociological neo-institutionalism* (e.g., Scott, 1995) might be of particular relevance. The neo-institutionalism points to the relevance of taken-for-granted beliefs, which constitute the legitimacy of certain issues or practices. Accordingly, we could suppose that broader institutional settings, like implicit cultural norms in a society, significantly frame the status of workplace democracy as legitimate and acceptable (or not) and can support or impede democratic spillover. In a narrower sense, country-specific, local institutional settings, such as industrial laws, could also be assumed of particular importance when explaining

whether and what kind of experiences workers are making with workplace democracy and how these experiences affect the political attitudes and behavior of employees. Especially, the research on legitimacy (e.g., Suchman, 1995) or on institutional logics considered as cultural frames of reference that condition sensemaking and actions of individuals (e.g., Thornton and Ocasio, 2008; Cornelissen and Werner, 2014) could provide suitable conceptual complement when explaining when and why workplace democracy is considered as legitimate and when political participation by employees becomes taken for granted. By drawing on the theoretical perspective of the neo-institutionalism, the debate regarding democratic spillover could receive important conceptual stimulation for developing a more comprehensive theoretical model and for generating context-sensitive knowledge on democratic spillover.

Qualitative method approaches

Previous empirical research on democratic spillover is dominated by quantitative approaches, as shown in Table 1. Future studies should include much more diverse approaches and complement dominating quantitative survey-based studies with qualitative inquiries, based, for example, on long-term observations, case studies, or narrative interviews. Especially, when trying to empirically approach the dynamic nature of democratic spillover, as argued in Dynamic nature of democratic spillover, scholars should take qualitative methods much more into account than previously. Long-term interviews, case studies, or ethnographical approaches would be able to provide a much higher degree of context-sensitive and comparative material about the societal effects of workplace democracy than this is the case in most quantitative undertakings. For example, research drawing on contrasting cases that include companies with established elements of workplace democracy as well as firms with absent or failed workplace democracy might be of particular value here when trying to determine different effects on political participation. Numerous examples of qualitative undertakings based on case studies of cooperatives might serve as helpful references in terms of method, like the analysis of cooperatives in the United States by Rothschild and Whitt (1986), a comparative study between John Lewis Partnership in the United Kingdom and Eroski in Spain as conducted by Storey et al. (2014), or a case study-based typology of participation patterns in German cooperatives by Hühn et al. (2021).

When using qualitative approaches, more attention could also be given to country-based studies that allow an in-depth analysis of local institutional settings as well as qualitative comparisons between selected countries. By doing this, a deeper understanding of the institutional and country-specific influences would be possible, which frame the relationship between organizational and political democracy. A country-sensitive in-depth analysis, as well as systematic qualitative cross-country comparisons, would be able to provide fruitful insights into the debate surrounding workplace democracy. Furthermore, in difference to individual variables that mainly stood at the focus in previous quantitative undertakings, much more attention could receive institutions of industrial relations and employee representations, as well as varieties of capitalism, including country- and region-specific patterns of democracy. Given the assumed relevance of regional and historical legacies in the case of democratic spillover, specific regions could be purposefully addressed in such empirical undertakings. One example would be the Central and Eastern European countries and thus former European socialist countries. This region represents a particularly beneficial research context in terms of workplace democracy and its transformations due to specific historical legacies like workers' self-management in the former Yugoslavia or due to current democratic struggles and oligarchic tendencies, like in Poland or Hungary.

Summary, conclusion, and practical implications

In her seminal work on how workplace settings might be related to the political participation of citizens, Pateman (1970, p. 66) highlighted that industry plays a central role "in the democratic socialization process." By pointing to the political efficacy as stemming from democratic encounters at the workplace, Pateman provided a psychological argument for why working life and democratic measures provided in industrial and workplace settings are of crucial relevance for political democracy in societies. Considering current political upheavals and increased populist tendencies in the EU, the United States, and elsewhere, the argument by Pateman proves even more important at current times than at the time of its original publication as it provides a path for how democratic societies could be strengthened.

Nevertheless, it should be stated that research that has been made on the democratic spillover represents an academic niche. Moreover, existing empirical findings are inconsistent and provide mixed evidence for the original thesis. Following, Greenberg et al. (1996), we have to state that the spillover effect is not suited to argue for the strength of workplace democracy as there is no definitive evidence for this. The debate suffers several methodological and conceptual limitations that hamper yielding consistent results and that future research needs to tackle. From the conceptual point of view, these limitations include, in particular, the heterogeneity of potential spillover mechanisms, a lacking consideration of alternative explanations (e.g., reversed causality or negative spillover),

an insufficient analysis of the potentially dynamic nature of the relationship, and a lacking in-depth consideration of institutional settings, like country-based specifics in relation to workplace democracy and formats of political participation. By scrutinizing existing research and by identifying its main shortcomings from the conceptual perspective as well as by showing some possible paths for prospective research, the present article provides a relevant theoretical contribution to the debate on democratic spillover.

The argument by Pateman (1970) should be yet considered a relevant point of departure, but not the end of the conceptual debate. The conceptual progress of this debate remains particularly challenging because of the issue of multiple determinants of political participation: workplace democracy represents one potentially relevant, but not an exclusive, reason for the political participation of employees. Moreover, as existing research still lacks a robust theoretical explanation of the relationship between workplace democracy and its political effects, there is an urgent need for concise and fine-grained conceptual developments that would tackle the question of how and when workplace democracy leads to political learning or political efficacy (and when not). Among others, the processes related to workplace democracy, including the absence and failure of workplace democracy, require more comprehensive analyses that would be able to cover the complexity of the issue and reinvigorate the debate on democratic spillover.

In particular, interdisciplinary work approaches are needed to intersect different fields, as touched upon by democratic spillover. In order to establish a solid conceptual and empirical scholarship on democratic spillover and to appropriately cover the complexity of related issues and counterbalance the one-sidedness of previous conceptual considerations, undertakings are needed where scholars from political sciences, organizational sociology, psychology, pedagogy, management studies, and industrial relations take part.

The present analysis primarily deals with research that has been carried out in the field of democratic spillover with the aim to critically reflect research-based assumptions and results yielded and does not deal with practical techniques, tools, or training programs in this field. Nevertheless, the results obtained have a lot to do with the work practice. Thus, we end this article with practical implications. The primary practical implication of this article is sensitizing: it matters whether workplaces include democratic elements or not. It matters surely in terms of individual measures, like job satisfaction and job commitment; it matters in terms of organizational effectiveness, like organizational performance and innovativeness. Potentially, yet not consistently confirmed in empirical studies, it matters in terms of the political

participation of employees. Until now, there is no clear evidence that workplace democracy leads to increased political participation of employees, but there is also no clear support that it does not. "The long arm of the job" in mind we have to conclude that industrial companies and organizations are not insular elements of the economy; as providers of workplaces for the majority of societal members, companies and industries represent one potentially relevant dimension of sustaining democratic systems of respective societies. Managers should have this in mind when designing workplaces and jobs when considering communication processes and decision-making in their organizations. From this perspective, the "democratic dimension" should be considered a part of social responsibility in organizations since it represents a suitable way to contribute to democratic societies by establishing workplaces that could socialize employees as democratic citizens.

Data availability statement

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

Author contributions

The author confirms being the sole contributor of this work and has approved it for publication.

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Conflict of interest

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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The Spillover of Socio-Moral Climate in Organizations Onto Employees' Socially Responsible Purchase Intention: The Mediating Role of Perceived Social Impact

Marlies Schümann[1,2]*, Maie Stein[2], Grit Tanner[1,2], Carolin Baur[2,3] and Eva Bamberg[2]

[1]Department of Work and Organizational Psychology, Beuth University of Applied Sciences Berlin, Berlin, Germany, [2]Department of Work and Organizational Psychology, Universität Hamburg, Hamburg, Germany, [3]Leadership Excellence Institute Zeppelin, Zeppelin University, Friedrichshafen, Germany

Due to the pressing environmental and social issues facing the global economic system, the role of organizations in promoting socially responsible behavior among employees warrants attention in research and practice. It has been suggested that the concept of socio-moral climate (SMC) might be particularly useful for understanding how participative organizational structures and processes shape employees' prosocial behaviors. While SMC has been shown to be positively related to employees' prosocial behaviors within the work context, little is known about the potential spillover effects of SMC (i.e., associations between SMC and employees' prosocial behaviors outside the work context). The present study aims to address this gap by investigating how and why SMC is related to employees' socially responsible purchase intention. Drawing on the relational job design framework, we argue that employees' perceptions of their social impact may explain why SMC is positively related to responsible purchase intentions. We collected data from 492 employees working in various industries at two measurement points with a time lag of 12 months. Hypotheses were tested using path analysis, in which we controlled for the temporal stability of the study variables. The results showed that SMC was positively related to perceived social impact and socially responsible purchase intention and that perceived social impact was positively related to socially responsible purchase intention. In addition, we found a significant indirect relationship between SMC and socially responsible purchase intention through perceived social impact. The findings provide initial support for the spillover of employees' work-related experiences onto their responsible purchase intentions within the nonwork domain. This study contributes to the literature by extending the traditional focus of SMC research on the development of moral reasoning skills to suggest that perceived social impact is an important mechanism underlying the relationship between SMC and prosocial behaviors. In terms of practical implications, this study suggests that organizational interventions designed to increase SMC may enhance employees' perceptions of their social impact.

Keywords: socio-moral climate, perceived social impact, work-consumption spillover, work-nonwork, employee participation, socially responsible purchase intention

INTRODUCTION

In light of the environmental and social issues in the global economic system, an important question concerning both researchers and practitioners is how organizations can promote socially responsible behavior among their employees. An increasing body of research has addressed this issue by examining the effects of ethical organizational climate (Newman et al., 2017) and socially responsible organizational initiatives (Aust et al., 2020; van Dick et al., 2020) on prosocial behavior and decision-making within organizations. Recently, it has been suggested that the concept of socio-moral climate (SMC; Weber et al., 2009) might be particularly useful for understanding how organizational structures and processes shape employee prosocial behavior (e.g., Pircher Verdorfer and Weber, 2016; Steinheider et al., 2020). Integrating principles of communication, cooperation, and conflict resolution, SMC is closely linked to employees' participation in discursive-democratic decision-making in organizations and their prosocial behaviors, such as organizational citizenship behavior, workplace solidarity, and democratic engagement (Weber et al., 2009; Pircher Verdorfer et al., 2013).

While several studies indicate that SMC is related to prosocial behavior *within* organizations, little is known about how SMC affects employees' prosocial behavior *outside* the work context. This is a major gap, considering that understanding the spillover of SMC on employees' prosocial behavior beyond organizational boundaries may broaden our view of how organizations can meet their social responsibilities. Responsible purchasing, which refers to consumers' purchase intentions to minimize harmful effects and maximize positive impacts on society in the long term (Mohr et al., 2001), is an important form of prosociality in the nonwork domain. In fact, all employees are consumers, making more or less responsible purchase decisions in their private lives. A spillover of SMC onto employees' socially responsible purchase intentions would highlight the societal and macroeconomic significance of a participative organizational climate that stimulates employees' prosocial behavior.

This study aims to move beyond understanding the effects of SMC within the organizational context and investigate the relationship between SMC and employees' socially responsible purchase intention. We combine Grant's (2007) relational job design framework and learning-generalization theory (Kohn and Schooler, 1973) to gain an in-depth understanding of the process by which SMC is related to employees' socially responsible purchasing. The relational job design framework links job design and prosocial employee behavior, focusing on the psychological experience of perceived social impact (Grant, 2007). As a reflection of the extent to which employees are aware that their work impacts other people's lives (Grant, 2007; Bolino and Grant, 2016), perceived social impact is an important driver of prosocial employee behavior (Grant, 2008a,b). By linking employees' experiences in the work context to their broader attitudes and beliefs underlying their behavior in other contexts, the concept of perceived social impact is particularly useful for investigating the potential spillover of SMC on employees' socially responsible purchase intention. We suggest

that work environments characterized by SMC contribute to the perception of social impact among employees, which in turn affects the extent to which they intend to make responsible purchase decisions. **Figure 1** shows the conceptual model.

This study contributes to the literature in three significant ways. First, by integrating research on SMC with the responsible purchasing literature, we advance the understanding of how organizational climate is related to employees' behavioral intentions in other life domains. Extant research examining the effects of SMC on prosocial employee behavior has focused on the organizational context (e.g., Weber et al., 2009; Schnell et al., 2013; Pircher Verdorfer et al., 2015). By examining prosocial behavioral intentions outside the organizational context, we contribute to the understanding of the spillover effects of SMC. Second, by investigating the mediating role of perceived social impact, we add a different perspective to the theoretical conceptualization of SMC and advance the understanding of why SMC is related to employees' prosocial behavior. Traditionally, the rationale for expecting SMC to promote employees' prosocial behavior is that the work environment facilitates the development of moral reasoning skills (Weber et al., 2009). However, empirical research did not support such an underlying process (Pircher Verdorfer and Weber, 2016). By investigating employees' perceived social impact, we integrate an alternative mechanism that may explain the link between SMC and prosocial behavior. Finally, previous findings on the relationship between SMC and prosocial behavior derive almost exclusively from cross-sectional studies (Weber et al., 2009; Pircher Verdorfer et al., 2013, 2015), making it difficult to draw firm conclusions about the effects of SMC on employees' prosocial behavior. Conducting a two-wave study, we contribute to the understanding of how SMC is related to employee prosocial behavior over time.

THEORETICAL BACKGROUND

Socio-Moral Climate and Employee Participation

Socio-moral climate (Weber et al., 2009) refers to "employees' perceptions of organizational practices and procedures, including principles of communication, teamwork, and participative decision-making assumed to shape the development of ethical attitudes and value orientations of the members of an organization" (Pircher Verdorfer et al., 2015, p. 233–234). According to Pircher Verdorfer et al. (2013, 2015), SMC comprises five components: (1) open confrontation with conflicts of interests, values, and norms, (2) reliable appreciation, including mutual care, respect, and support, (3) cooperation and communication as equals, including opportunities to challenge established norms, (4) trust-based assignment of responsibility for the wellbeing of others inside and outside the organization, and (5) organizational concern for individuals, including the extent to which the organization adopts the perspective of individual employees.

The concept of SMC is rooted in research on democratic participation in organizations. Weber et al. (2008) postulated that employees' substantial involvement in organizational decision-making nurtures perceptions of a SMC in organizations

Conceptual Model

Socio-Moral Climate → Perceived Social Impact → Socially Responsible Purchase Intention

FIGURE 1 | Conceptual model.
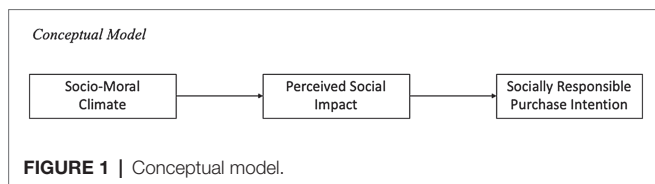
that facilitates prosocial behavioral orientations. From a theoretical perspective, the notion of moral socialization in organizations induced by democratic participation is based on the just community approach of moral education (Power et al., 1989; Power and Higgins-D'Alessandro, 2008). Inspired by educational structures and principles in Israeli kibbutzim, the just community approach is based on practices of deliberative democracy, including consensus seeking through sustained dialog and participation of all (Power and Higgins-D'Alessandro, 2008). Through its structures of deliberation and accountability, the just community approach is thought to support a sense of responsibility, solidarity, and civic engagement among community members (Power and Higgins-D'Alessandro, 2008). This goal is to be achieved by fostering a moral atmosphere in the community (Power et al., 1989). Drawing primarily on Lempert's (1988, 1993) work, Weber et al. (2008) adapted this concept for the organizational context, emphasizing its structural dimension of organizational democracy. Specifically, it is proposed that SMC evolves within democratic organizational structures (Pircher Verdorfer and Weber, 2016), forming a socializing context for employees' social and moral actions (Weber et al., 2009).

Socio-Moral Climate and Perceived Social Impact

Research has commonly investigated SMC as an antecedent of employees' positive affective-motivational states toward their organization, including their sense of psychological ownership (Steinheider and Pircher Verdorfer, 2017), work engagement (Steinheider et al., 2020), and organizational commitment (Weber et al., 2009; Pircher Verdorfer et al., 2013). In this study, we draw on the relational job design framework (Grant, 2007) to argue that SMC increases employees' perceptions of social impact. The job design framework is useful in understanding why work contexts affect employees' prosocial motivation and behavior.

At the heart of the relational job design framework is the idea that perceived social impact is the psychological mechanism linking job design and employee prosocial behavior. Perceived social impact refers to the recognition that one's efforts at work make a positive difference in the lives of others (Grant, 2007; Bolino and Grant, 2016). This focus on employees' work-related experiences and the fundamentally social nature of the concept distinguishes perceived social impact from related concepts, such as self-efficacy. Whereas perceived social impact refers to the *experience* that one's actions at work have succeeded in benefiting others, self-efficacy concerns the *belief* in one's capability to achieve desired outcomes and does not speak to the idea that one's work is benefiting others. Conceptually, the

relational job design framework suggests that employees who perceive that their actions have a positive impact on others are more likely to seek to benefit others (Grant, 2007). As the definition of SMC includes employees' perceptions of cooperation, mutual care, and responsibility for the wellbeing of others, we suggest that SMC strengthens the perception of social impact because organizations characterized by SMC offer their employees various opportunities to have a positive impact on others. Specifically, work environments characterized by SMC involve frequent prosocial interactions in the workplace (Weber et al., 2009; Pircher Verdorfer et al., 2013), which may enable employees to see how their actions benefit others.

Socio-moral climate is inherently participative in that it involves employees having opportunities to contribute and influence. Although varying in the degree of actual influence in decision-making (Dachler and Wilpert, 1978), employee participation describes a process that focuses on employees' needs and gives them a voice (Earley and Lind, 1987). A participative climate allows employees to experience that they have the power to influence their environment (Spreitzer, 1996). A recent meta-analysis indicates that a participative work climate promotes prosocial behavior within organizations (Weber et al., 2020). Moreover, Lee et al. (2019a) investigated the effects of participative human resource practices and found a positive association between information sharing in organizations and perceived social impact. These findings suggest that opportunities for prosocial influence might be more salient for employees experiencing higher levels of SMC, thus promoting their perception of social impact. Drawing on the relational job design framework and the empirical findings mentioned above, we hypothesize the following:

> *Hypothesis 1*: SMC is positively related to employees' perceived social impact.

Perceived Social Impact and Socially Responsible Purchase Intention

According to the relational job design framework (Grant, 2007), perceived social impact is necessary for prosocial behavior to occur. Prosocial behaviors refer to various actions that are intended to protect or promote the wellbeing and welfare of other individuals or groups (Bolino and Grant, 2016; Ma et al., 2017; Jung et al., 2020), such as neighbors, coworkers, or the superordinate group of humankind (Reese and Kohlmann, 2015; Costa Pinto et al., 2020). When employees feel that their actions at work have a positive impact on others, they are more likely to engage in behavior that positively impacts the lives of others (Grant, 2007). Empirical support for this notion comes from studies with employees in the airline industry (Ho and Wu, 2019) and the military service (Castanheira et al., 2016). Employees who perceive that they can positively influence others through their work feel closer and emotionally attached to others (Grant, 2008a), promoting prosocial behavior toward them (Korchmaros and Kenny, 2001). Experimental research provides evidence for such an effect for different prosocial

work behaviors. For example, enhancing perceived social impact was found to increase employees' efforts to collect money for those in need among employees of a fundraising organization (Grant et al., 2007) and the helpfulness of lifeguards toward guests (Grant, 2008b).

When employees repeatedly perceive that they can positively influence the lives of others at work, they should become increasingly convinced that their actions generally have a positive impact. This notion is in line with learning-generalization theory (Kohn and Schooler, 1973), suggesting that experiences in the organizational sphere translate into nonoccupational realities. Extant research has found evidence for such a learning-generalization effect, indicating that people learn from experiences in their jobs and generalize what they have learned to nonwork realities (Spenner, 1988). Abundant empirical support for this proposition also stems from research on work-family spillover, which has revealed that experiences at work or in the family domain (e.g., support, conflict, and satisfaction) have a considerable impact on behavior, psychological functioning, and wellbeing in the respective other domain (Ford et al., 2007; Beigi et al., 2019). In support of this view, research on bottom-up processes indicates that domain-specific evaluations may generalize over time to global evaluations. For example, it has been shown that task-specific and occupational self-efficacy beliefs predict subsequent changes in general self-efficacy beliefs (Miyoshi, 2012; Grether et al., 2018). Utilizing this bottom-up perspective, we argue that the work-related perception of social impact generalizes over time to a more global perception of social impact in areas of life other than work.

The perception of social impact implies the awareness that one's actions indeed have consequences for the lives of others (Grant, 2007). Awareness of consequences is central to the definition of moral decision-making (Schwartz, 1968) and has been highlighted as a key component in influential models of ethical behavior (Schwartz, 1977; Rest, 1984). Being aware of the overall consequences of their actions for the lives of others is necessary for people to feel responsible for engaging in prosocial actions. In the specific case of socially responsible purchasing, awareness of one's own impact on others is particularly important. Individuals who intend to engage in responsible purchasing aim to mitigate the harm and exploitation of humans, animals, and the environment through their purchase decisions (Burke et al., 2014). Given that these goals can only be achieved if many people purchase responsibly, consumers commonly overlook or deny their own contribution and influence (Schlaile et al., 2018). Conversely, a strong sense of consumer effectiveness has been shown to facilitate responsible consumerism (e.g., Cojuharenco et al., 2016). Based on these considerations, we suggest that the perception of social impact is related to prosociality in the form of socially responsible purchase intention. Specifically, we hypothesize the following:

> *Hypothesis 2*: Employees' perceived social impact is positively related to their socially responsible purchase intention.

Socio-Moral Climate and Socially Responsible Purchase Intention

According to Karasek's (2004) idea of job socialization, workplaces are social environments in which adult learning processes occur, and the effects of these learning processes are not limited to the work domain but extend to other areas of life. This is consistent with the conceptualization of spillover as an intraindividual contagion process that occurs across different roles (Bolger et al., 1989; Carlson et al., 2019). For example, employees with opportunities for social interaction at work may develop conversational skills, which are also helpful for conciliation between friends or family members. Work environments characterized by SMC likely contribute to the perception of social impact among employees, which may stimulate socially responsible purchasing in their private sphere. Previous studies that investigated spillover effects of SMC provide support for the potential of SMC to initiate socialization and suggest that SMC is related to employee prosocial behavior. In a cross-sectional study, SMC was shown to be related to community-related prosocial attitudes, indicating that the experience of socio-moral practices at work may generalize to other contexts (Weber et al., 2009). Another cross-sectional study found that SMC was positively related to employees' ethics-related attitudes and behavioral orientations beyond their pre-occupational childhood socialization experiences (Pircher Verdorfer et al., 2013). We extend this line of research by suggesting that SMC affects employees' prosocial behavioral intentions outside the work context. In particular, we hypothesize that SMC has an indirect effect on employees' socially responsible purchase intention through changes in their perceptions of social impact.

> *Hypothesis 3*: SMC is positively and indirectly related to employees' socially responsible purchase intention *via* perceived social impact.

MATERIALS AND METHODS

Sample and Procedure

We tested the hypotheses using a two-wave study design with a time lag of 12 months. This time lag is widely considered to be an appropriate period to capture socialization (Bauer et al., 1998; Woodrow and Guest, 2020). Participants were recruited *via* a German online panel platform. The use of an online panel allowed us to collect a large and heterogeneous sample. Online panel data are comparable to data collected *via* conventional methods in terms of reliability and validity (Buhrmester et al., 2011; Walter et al., 2019). The participants had to answer all items to complete the survey. To ensure data quality, we followed recommendations for detecting careless responders (Meade and Craig, 2012) and excluded participants based on their response time (< 2 s per item), response consistency (even-odd consistency), and bogus items. Of the 605 employees who participated at T1, 113 participants were excluded due to careless responding. Of the remaining 492 employees at T1, 191 employees completed the questionnaire at T2, yielding a response rate of 39%.

At T1, 48% of the respondents were female. Participants' mean age was 41.8 years ($SD = 10.8$). A total of 27% held a bachelor's degree or better, and 46% had a secondary school diploma or less. A total of 51% of the participants had a monthly net income of up to 1,500 Euros minus rent. The mean weekly working hours were 38.4 ($SD = 10.0$), and 26% of the participants held supervisory positions. Approximately half of the sample (49%) had worked in their organization for at least 5 years, and approximately two-thirds (65%) worked in the private (vs. public) sector. At T2, the mean age was 45.5 years ($SD = 10.6$). A total of 51% of employees had an income of up to 1,500 Euro minus rent. The mean weekly working hours were 37.5 ($SD = 10.3$), and 22% of the participants held supervisory positions.

Attrition Analysis

To explore whether there was differential attrition, we conducted a series of t-tests and chi-square tests using sociodemographic variables and the study variables. We compared the employees who participated at T1 and T2 with those who participated at T1 only and found no differences between the samples in terms of socially responsible purchase intention [$t(391.11) = -1.59$, $p = 0.11$], perceived social impact [$t(408.45) = -0.71$, $p = 0.47$], SMC [$t(389.68) = 0.04$, $p = 0.97$], working hours [$t(392.07) = -1.49$, $p = 0.14$], supervisory position [$\chi^2(1) = 0.29$, $p = 0.59$], sector [$\chi^2(2) = 0.61$, $p = 0.73$], education level [$\chi^2(7) = 12.05$, $p = 0.10$], tenure [$\chi^2(2) = 2.52$, $p = 0.28$], income [$\chi^2(4) = 2.01$, $p = 0.73$], and gender [$\chi^2(1) = 0.04$, $p = 0.84$]. However, those who participated at T1 and T2 were slightly older ($M = 44.71$, $SD = 10.36$) than the dropouts ($M = 39.94$, $SD = 10.68$), $t(413.51) = 4.91$, $p < 0.01$.

Measures

The German versions of the scales are provided in the **Appendix**.

Socio-Moral Climate

Socio-moral climate was assessed with the validated 21-item version of the SMC scale (Pircher Verdorfer et al., 2015) developed by Weber et al. (2009). The scale measures the five components of SMC: (1) open confrontation with conflicts (e.g., "In our organization, we deal openly with conflicts and disagreements"), (2) appreciation and respect (e.g., "Our employees are treated with respect regardless of their qualifications or position"), (3) open communication and participative cooperation (e.g., "In our organization, everyone has a voice on important organizational matters"), (4) allocation of responsibility (e.g., "In our organization, everyone is challenged according to his/her skillset"), and (5) organizational concern (e.g., "Although difficult, our organization attempts to meet the needs of all its members"). The items were rated on a 5-point scale with response options ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Cronbach's alpha was 0.95.

Perceived Social Impact

We assessed perceived social impact with three items developed by Grant (2008b). A sample item is "I feel that I can have a

positive impact on others through my work." The response scale ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Cronbach's alphas were 0.92 at both T1 and T2.

Socially Responsible Purchase Intention

Socially responsible purchase intention was measured using an adapted version of the six-item Consciousness for Fair Consumption Scale developed and validated by Balderjahn et al. (2013). In the original version, the Consciousness for Fair Consumption Scale is computed by multiplying the scores of the two subscales believe (e.g., "I only buy a product if I believe that in its production the workers' rights were adhered to.") and importance (e.g., "How important is it for you personally that in companies the workers' rights were adhered to."). We used a different introduction to reflect the actual buying situation that consumers find themselves in by incorporating a tradeoff between social and utilitarian product attributes (e.g., "I would spend more money on products if I had information that in product manufacturing the workers' rights were adhered to."). This approach reduces the potential bias due to social desirability. The response scale ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Cronbach's alphas were 0.96 at T1 and 0.98 at T2.

Control Variables

We decided to include gender as a control variable in the analyses because women have been found to be more willing to consume responsibly than men (e.g., Costa Pinto et al., 2014). Additionally, gender is associated with perceptions of and behavior in prosocial contexts (Croson and Gneezy, 2009).

Data Analysis

Data were analyzed using path modeling as implemented in the lavaan package (Rosseel, 2012) using the statistics software R (R Core Team, 2019). Model fit was evaluated using the Yuan-Bentler scaled chi-square (χ^2) statistics (Yuan and Bentler, 2000), the comparative fit index (CFI), the Tucker-Lewis index (TLI), the root mean square error of approximation (RMSEA), and the standardized root mean residual (SRMR). CFI and TLI values close to 0.90, RMSEA values less than 0.06, and SRMR values less than 0.08 indicate an acceptable fit of the model with the data (Hu and Bentler, 1999). Maximum likelihood estimation with robust standard errors is used.

In testing Hypothesis 1, we estimated the effect of SMC at T1 on perceived social impact at T2 while controlling for perceived social impact at T1. To evaluate Hypothesis 2, we tested the effect of perceived social impact at T1 on socially responsible purchase intention at T2, controlling for the effect of socially responsible purchase intention at T1. We followed Little's (2013) recommendations for testing indirect effects using two measurement points. Path *a* of the indirect effect represents the effect of SMC at T1 on perceived social impact at T2 (controlling for its temporal stability), and path *b* represents the effect of perceived social impact at T1 on socially responsible purchase intention at T2 (controlling for its temporal stability). To test for mediation, we estimated unstandardized indirect

effects (*ab*) and 95% bias-corrected confidence intervals derived from 1,000 bootstrap samples (BCa CI; Davison and Hinkley, 1997).

In longitudinal research, missing data are inevitable (Jeličić et al., 2009). Ignoring missing data may produce biased estimates, potentially leading to erroneous conclusions. Multiple imputation is a state-of-the-art missing data technique that helps avoid bias (D. A. Newman, 2014). While there is some debate about how to handle whole-wave missing data (Young and Johnson, 2015), multiple imputation has been shown to outperform listwise and pairwise deletion, even when the amount of missing data is large (D. A. Newman, 2014; Madley-Dowd et al., 2019) and data are not missing at random (MNAR; Mustillo and Kwon, 2015). We imputed missing data at the item level for all variables included in the model. We performed multivariate imputation by chained equations using the mice package in R (Van Buuren and Groothuis-Oudshoorn, 2011). In addition to the study variables, we included age, supervisory position, and weekly working hours as auxiliary variables in the imputation model. We used Bayesian linear regression to impute missing data in the continuous variables and logistic regression for the binary variables. The number of imputed datasets was set to $m = 100$. The fraction of missing information values ranged between 0.44 and 0.47, indicating an adequate level variability between imputed data sets (Madley-Dowd et al., 2019).

RESULTS

Table 1 shows the means, standard deviations, and intercorrelations of the study variables. Socio-moral climate was positively related to perceived social impact and socially responsible purchase intention at T1 and T2. In addition, we found positive correlations between perceived social impact and socially responsible purchase intention at T1 and T2. As expected, the correlations among the same variables over time were relatively high, indicating high temporal stabilities. For the control variable gender, there was a significant positive correlation only for socially responsible purchase intention at T1.

Following the recommendations of Becker et al. (2016), we conducted the analyses with and without gender as a control variable. The analyses revealed that the path coefficients were essentially the same for the models with and without control variables,[1] indicating that gender did not account for the findings. Therefore, we report only the findings of the model without gender. The fit indices indicated a good fit of the hypothesized model with the data: $\chi^2 (1) = 10.08$, $p < 0.01$; TLI = 0.86; CFI = 0.99; SRMR = 0.04; and RMSEA = 0.14, 90% CI (0.07, 0.22). While the RMSEA value is above the generally recommended threshold of 0.06 (Hu and Bentler, 1999),

other model fit indices indicate an acceptable model fit. We note that using the RMSEA value for evaluating model fit in this case is problematic given that the RMSEA has been shown to falsely indicate poor fit for models with small degrees of freedom (Kenny et al., 2015). **Table 2** shows the results of the path model. The significant path *a* ($b = 0.29$, $SE = 0.07$, 95% CI [0.15, 0.42]) indicates that SMC at T1 was positively related to perceived social impact at T2, and the significant path *b* ($b = 0.09$, $SE = 0.04$, 95% CI [0.01, 0.17]) shows that perceived social impact at T1 was positively related to socially responsible purchase intention at T2. Thus, the results supported Hypotheses 1 and 2. The significant direct effect *c'* ($b = 0.22$, $SE = 0.07$, 95% CI [0.08, 0.36]) indicates a positive relationship between SMC (T1) and socially responsible purchase intention (T2). Hypothesis 3 predicted that SMC is indirectly associated with socially responsible purchase intention *via* perceived social impact. The results showed that the indirect effect of SMC on socially responsible purchase intention *via* perceived social impact (*ab*) was significant ($b = 0.03$, $SE = 0.01$, 95% CI [0.01, 0.05]). Thus, Hypothesis 3 was also supported. Finally, the total effect (*c*) was significant and positive ($b = 0.25$, $SE = 0.07$, 95% CI [0.11, 0.39]).

To explore the potential effects of multiple imputation on the study results, we performed a supplementary sensitivity analysis, in which we included only complete cases. The results of the analysis showed that the path coefficients were very similar, except for the direct effect which was somewhat higher when using the multiply imputed data (path *a* ($b = 0.28$, $SE = 0.10$, 95% CI [0.09, 0.48]), path *b* ($b = 0.11$, $SE = 0.06$, 95% CI [0.00, 0.23]), direct effect path *c'* ($b = 0.12$, $SE = 0.10$, 95% CI [−0.08, 0.32]), indirect effect ab ($b = 0.03$, $SE = 0.02$, 95% CI [−0.01, 0.07]), and total effect c ($b = 0.15$, $SE = 0.10$, 95% CI [−0.04, 0.34]).

DISCUSSION

This study aimed to investigate the spillover effects of SMC on employees' prosocial behavior outside the work domain in the form of socially responsible purchase intention *via* perceived social impact. Linking the relational job design framework (Grant, 2007) and learning-generalization theory (Kohn and Schooler, 1973) with research on SMC, we have sought to contribute to a deeper understanding of the processes by which SMC is related to employees' responsible purchasing. Analyses of two-wave data revealed that SMC was positively related to perceived social impact and that perceived social impact was positively related to socially responsible purchase intention over a period of 1 year. In addition, the indirect effect of SMC *via* perceived social impact on socially responsible purchase intention was significant.

Theoretical Implications

This study advances research on SMC by providing evidence for a positive relationship between SMC and perceived social impact over the course of 1 year. Longitudinal investigations of SMC are scarce. To the best of our knowledge, only one

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[1]Fit indices of the model, including gender, were $\chi^2 (1) = 9.35$, $p < 0.01$; TLI = 0.81; CFI = 0.99; SRMR = 0.03; RMSEA = 0.13, 90% CI (0.06, 0.21]. Standardized path coefficients controlling for temporal stability effects of the respective variables: path *a* ($b = 0.29$, $SE = 0.07$, 95% CI [0.16, 0.42]), path *b* ($b = 0.09$, $SE = 0.04$, 95% CI [0.01, 0.17]), direct effect path *c'* ($b = 0.22$, $SE = 0.07$, 95% CI [0.09, 0.37]), indirect effect *ab* ($b = 0.03$, $SE = 0.01$, 95% CI [0.00, 0.05]), total effect *c* ($b = 0.25$, $SE = 0.07$, 95% CI [0.12, 0.39]).

TABLE 1 | Descriptive statistics, reliabilities, and bivariate correlations of the study variables.

S. No.		*M*	*SD*	1	2	3	4	5
1	Socio-moral climate T1	3.29	0.83	0.95				
2	Perceived social impact T1	5.05	1.47	0.40***	0.92			
3	Perceived social impact T2	5.13	1.41	0.35***	0.59***	0.92		
4	Socially responsible purchase intention T1	5.15	1.53	0.09*	0.18***	0.27**	0.96	
5	Socially responsible purchase intention T2	4.95	1.54	0.16*	0.26**	0.34***	0.66***	0.98
6	Gender[a]	0.48	0.05	−0.04	0.01	−0.12	0.11*	0.07

Pearson correlation coefficients: T1/T1: N = 492; T1/T2 and T2/T2: N = 191. M, mean; SD, standard deviation. Cronbach's alphas are given along the diagonal.
*[a]0 = male; 1 = female. *p < 0.05; **p < 0.01; ***p < 0.001, two-tailed.*

TABLE 2 | Results of path analyses of the hypothesized model.

	Perceived social impact (T2)					Socially responsible purchase intention (T2)				
	Est	*SE*	*z*	*95% CI*	*β*	*Est*	*SE*	*z*	*95% CI*	*β*
SMC (T1)	0.29***	0.07	4.26	[0.15, 0.42]	0.17	0.22**	0.07	3.09	[0.08, 0.36]	0.12
PSI (T1)	0.51***	0.04	13.67	[0.44, 0.59]	0.53	0.09*	0.04	2.12	[0.01, 0.17]	0.08
SRPI (T1)						0.63***	0.04	17.91	[0.56, 0.70]	0.60

*Pooled estimates of 100 imputed datasets. Sample size after imputation: N = 492. SMC, socio-moral climate; PSI, perceived social impact; SRPI, socially responsible purchase intention; and β, standardized regression coefficient. *p < 0.05; **p < 0.01; ***p < 0.001.*

study has examined the effects of SMC using more than one measurement point and found that SMC was positively related to employees' exercise of individual character strengths at work over a period of 6 months (Höge et al., 2020). We found that SMC was positively related to perceived social impact over 1 year. This result advances the understanding of how SMC affects employees' prosocial behavior over time. In its original conceptualization, SMC is assumed to stimulate moral socialization at work by promoting social and moral skills and competencies (Weber et al., 2009). However, empirical research did not find evidence for this idea (Pircher Verdorfer and Weber, 2016). Our results indicate that perceived social impact may be an alternative mechanism linking SMC and prosocial employee behavior.

Consistent with Grant's (2007) relational job design framework, empirical research has found that perceived social impact predicts prosocial work motivation (Castanheira et al., 2016; Ho and Wu, 2019) and prosocial behavior at work (Grant et al., 2007; Grant, 2008b). Building on the learning-generalization hypothesis (Kohn and Schooler, 1973) and its empirical evidence, we proposed that the perception of social impact may affect prosocial behavioral intentions beyond the work domain due to the generalization of perceived social impact. The findings provide initial support for this idea. By linking the work-related construct of perceived social impact with a prosocial intention outcome outside work, we complement the relational job design framework (2007) and its empirical support (Grant et al., 2007; Grant, 2008b; Castanheira et al., 2016; Ho and Wu, 2019).

Drawing on Karasek's (2004) work on job socialization, we provided arguments for a spillover effect of SMC at

work on prosocial behavior outside the work context and found initial evidence for such an effect. This study complements prior research indicating that the characteristics of work have long-term effects on personal attitudes (Weston et al., 2021), family life (Lee et al., 2019b), and leisure behavior (Staines, 1980). With respect to prosocial behavioral orientations, the results of our study support and extend previous findings on spillover effects of SMC (Weber et al., 2009; Pircher Verdorfer et al., 2013) by providing evidence for perceived social impact as an underlying mechanism. Considering that SMC is an indicator of the presence of participative organizational structures and practices (Weber et al., 2009; Pircher Verdorfer et al., 2013), the results of the study are consistent with recent meta-analytic findings on organizational democracy, suggesting that employees are socialized through participative organizational structures and practices to the extent that their prosocial behavioral orientations further develop (Weber et al., 2020).

Practical Implications

This study provides organizations with guidance on how to increase the perception of social impact among their employees. Considering that employees who are aware of their social impact in the workplace are more likely to make efforts to help customers (Grant et al., 2007; Grant, 2008b) and to contribute to service quality and organizational success (Anderson and Zeithaml, 1984), the findings may be particularly relevant for organizations in the service sector. To develop high levels of SMC, organizations may implement interventions designed

to increase cooperation, egalitarian communication, mutual care, and respect in the organization. In this respect, leadership interventions may be particularly effective because leaders play an important role in establishing and developing the organizational climate, including prosocial norms and values (Grojean et al., 2004).

The organizational democracy literature (Weber et al., 2020) and the just community approach as the foundation of the SMC concept suggest that it is important to not only rethink the role and behavior of leaders but also the hierarchical structures and principles of command and control in organizations. Concerns about the decline of participation in social organizations (Putnam, 2000) and the critique of privatism in modern Western societies (Power et al., 1989) point to the importance of a greater consideration of the just community approach in companies and democratic organization of work. Democratically organized companies that enable employee participation may lead to employees taking responsibility for others and becoming involved in societal issues.

Moreover, the findings of this study indicate that employees who feel that their work positively affects others' lives have higher intentions to make responsible purchase decisions. Governments and nongovernmental organizations that aim to support responsible purchasing should include labor contexts in their campaigns, reminding employees that they are able to make a difference in the lives of others. Such an intervention is relatively easy to implement for employees in social professions (e.g., nurses and childcare workers) because their work offers many opportunities to affect others positively. In contrast, employees in other professions may have fewer opportunities to recognize their positive impact on the lives of others (e.g., warehouse workers). These employees may benefit most from interventions aimed at increasing perceived social impact.

Limitations and Future Directions
As with other studies, this study is not without limitations. In this study, all variables were assessed using self-reports, which raises concerns about potential bias due to common method variance (Podsakoff et al., 2012). By using two waves of data collection, we followed Podsakoff et al.'s (2012) suggestion to mitigate common method bias by introducing a temporal separation between the predictor and outcome variables. Therefore, it seems relatively unlikely that the results are biased due to common method variance. Self-reports also carry the risk of social desirability bias, which raises the possibility that employees overreported their socially responsible purchase intentions. However, we assured the participants of their anonymity, which lowers concerns with social desirability. In addition, research suggests that forcing respondents to weigh tradeoffs between social and utilitarian product attributes may prevent overreporting of socially responsible purchasing behavior (Auger et al., 2008). To obtain more realistic reports of socially responsible purchasing intentions, we included this tradeoff in the introduction of the items ("I would spend more money on products if I had information that…").

Additionally, it should be noted that the effects were relatively small in magnitude. However, small effect sizes are common in autoregressive models and should not be dismissed as trivial because controlling for temporal stability removes a large portion of the variance in the outcome variable (Adachi and Willoughby, 2015). Another explanation for the small effects is that we examined relationships between employees' experiences at work and their behavioral intentions in the nonwork domain. Indeed, small effect sizes are common in spillover research (Maki et al., 2019). However, even small effects may have meaningful practical implications (Prentice and Miller, 1992).

On a related note, the relatively small effect sizes found in this study indicate that moderators may be present. The relational job design framework suggests that affective commitment to beneficiaries moderates the relationship between perceived social impact and the motivation to make a prosocial difference (Grant, 2007). That is, prosocial behavior is influenced not only by the perception of one's impact but also by the extent to which one cares about the other person. Thus, the effect of perceived social impact on socially responsible purchase intention may vary depending on employees' affective commitment to, for example, factory workers. Previous research has shown that people who feel more connected to others are more likely to believe that their actions have a substantial impact (Cojuharenco et al., 2016) and that feeling connected and emotionally bound to humanity predicts Fairtrade consumption (Reese and Kohlmann, 2015). Therefore, we recommend that further research on responsible purchasing takes a closer look at the temporal dynamics and reciprocal effects of employees' feelings of connectedness and their perceptions of (social) impact.

We argued that the association between perceived social impact and socially responsible purchase intention is due to generalization processes from specific (i.e., work-related) perceived social impact to more global assessments of one's positive impact on others. The finding of a significant relationship between perceived social impact and socially responsible purchase intention does not directly support the notion that generalization is the underlying process, as we did not assess employees' general perceptions of social impact. In fact, the effect of perceived social impact on socially responsible purchase intention may occur through processes other than generalization. For example, Sonnentag and Grant (2012) conducted a daily diary study with rescue workers and found that the experience of helping others at work was positively related to positive affectivity at bedtime. Considering that responsible purchasing has been shown to be strongly influenced by consumers' positive emotional states (Ladhari and Tchetgna, 2017), future studies may explore the role of positive affectivity in the relationship between perceived social impact and responsible purchasing.

In addition to the mediating effect *via* perceived social impact, we found a direct effect of SMC on socially responsible purchase intention, suggesting that other processes may explain the effect. Future research might examine moral values and emotions as mechanisms underlying the relationship between SMC and socially responsible purchasing. For example, previous studies have shown that moral elevation – the feeling of warmth

and expansion in response to other people's goodness, kindness, and compassion (Haidt, 2003) – is an important mechanism underlying associations between prosocial contexts and prosocial intentions (Pohling et al., 2019).

More research is needed that investigates the effects of SMC over time. The only other longitudinal study thus far has examined the effects of SMC on the applicability of signature character strengths at work 6 months later (Höge et al., 2020). Previous studies on the potential spillover effects of SMC on prosocial attitudes and behavioral intentions beyond the work context have used cross-sectional data (Weber et al., 2009; Pircher Verdorfer et al., 2013). Although this study provides initial longitudinal evidence for the spillover of SMC, future research should aim to provide more in-depth insights into the temporal dynamics of SMC and employees' experiences and behavior outside the work context. Because there was no theoretical basis for defining optimal time lags between the measurements of the variables examined in this study, we followed the job socialization research (Bauer et al., 1998; Woodrow and Guest, 2020) and used two measurement points with a time lag of 12 months. Future studies should use multiple measurement points to examine when the effects of SMC on employee prosociality occur. This knowledge will be particularly useful for researchers investigating the effects of organizational interventions designed to increase SMC.

CONCLUSION

This study sought to gain an in-depth understanding of the process by which SMC in organizations spills over to employees' prosocial behavioral intentions outside work. We examined the relationships between SMC, perceived social impact, and socially responsible purchase intention over a time period of 1 year and tested the indirect relationship between SMC and socially responsible purchase intention *via* perceived social impact. The results showed that SMC was positively related to perceived social impact, which, in turn, was positively related to employees' socially responsible purchase intention. The study results suggest that experiences at work may affect employees' socially responsible purchasing in their private lives.

This study advances research on SMC and the relational job design framework by providing evidence for longitudinal relationships of their core constructs in the context of responsible purchasing. The findings provide organizations with guidance on how to increase employees' perceptions of social impact and their responsible purchasing.

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

ETHICS STATEMENT

This study was carried out in accordance with the recommendations of the German Psychological Society (DGPs) guidelines and the Local Ethics Committee of the Faculty of Psychology and Human Movement at the University of Hamburg. The protocol was approved by the Local Ethics Committee of the Faculty of Psychology and Human Movement at the University of Hamburg. The participants provided their written informed consent to participate in this study.

AUTHOR CONTRIBUTIONS

MSc, GT, CB, and EB contributed to the conception and design of the study. MSc organized the database, performed the statistical analyses, and wrote the first draft of the manuscript. MSt contributed to the data analysis. MSt, GT, CB, and EB contributed to the manuscript revision, and read and approved the submitted version. All authors contributed to the article and approved the submitted version.

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APPENDIX

German Items of the Socio-Moral Climate Scale (Pircher Verdorfer et al., 2015):

Wenn es bei uns unterschiedliche Ansichten bei wichtigen Angelegenheiten gibt, wird offen damit umgegangen.

Bei uns geht man offen mit Konflikten und Interessensgegensätzen um.

Wenn es zu Spannungen zwischen Unternehmensinteressen und den Interessen der Arbeitenden kommt, sprechen alle Beteiligten offen darüber.

Wenn hier jemand ungerecht behandelt oder übergangen wird, so wird dies offen angesprochen.

Man kann bei uns auch Fehler machen, ohne dafür bestraft zu werden.

Gegenseitiger Respekt wird bei uns groß geschrieben.

Das Vertrauen untereinander lässt bei uns einiges zu wünschen übrig.

Die Mitarbeiter*innen werden unabhängig von der Ausbildung und Qualifikation geachtet.

Niemand muss sich hier ein Blatt vor den Mund nehmen; jeder kann sich offen zu Meinungen von Entscheidungsträgern äußern, ohne negative Folgen fürchten zu müssen.

Mitarbeiter*innen werden ermutigt und bestärkt, den eigenen moralischen Standpunkt hinsichtlich Vorgehen und Vorhaben des Unternehmens zu äußern.

Auch bei weit reichenden Veränderungen im Unternehmen haben die Mitarbeiter*innen ein Wörtchen mitzureden.

Wichtige Entscheidungen, die bei uns getroffen werden, beruhen auf der Meinung einiger Weniger.

Bei uns gibt es kaum „heilige Kühe". Es ist möglich, Prinzipien in Frage zu stellen, falls sie für den gemeinsamen Erfolg oder die gute Zusammenarbeit nicht mehr geeignet sind.

Bei uns wird jeder - seinen Fähigkeiten entsprechend - auch mit schwierigen Aufgaben betraut.

Das Vertrauen der Führungspersonen in die Fähigkeit der Mitarbeiter*innen, verantwortlich zu handeln, ist nicht sehr groß.

Es wird bei uns gefördert, dass man sich für andere einsetzt.

Wer sich dazu berufen fühlt, dem wird bei uns Verantwortung für andere Kolleginnen/Kollegen übertragen.

Den Bedürfnissen aller Mitarbeiter*innen gerecht zu werden ist eine echte Herausforderung, aber es wird bei uns ernsthaft versucht.

Wenn jemand bei uns persönliche Probleme hat, kann er mit dem Verständnis der Anderen rechnen.

Auf persönliche Gefühle der Mitarbeiter*innen wird bei uns wenig Rücksicht genommen.

Bei wichtigen Entscheidungen berücksichtigen die Verantwortlichen normalerweise das Wohl der betroffenen Mitarbeiter*innen.

German Translation of the Perceived Social Impact Scale (Grant, 2008b):

Ich bin mir der positiven Auswirkungen, die meine Arbeit auf andere Menschen hat, sehr bewusst.

Ich bin mir sehr darüber bewusst, auf welche Weise meine Arbeit anderen Menschen zugutekommt.

Ich habe das Gefühl, dass ich durch meine Arbeit einen positiven Einfluss auf andere haben kann.

Socially Responsible Purchase Intention Scale (Adapted and Translated From Balderjahn et al., 2013):

Ich würde mehr Geld für Produkte ausgeben wenn mir Informationen darüber vorliegen würden, dass bei der Herstellung…
die Rechte der Arbeitnehmer*innen eingehalten wurden.

kein Arbeitnehmer*innen zur Zwangsarbeit verpflichtet wurde.

keine Kinder beteiligt gewesen sind.

Arbeitnehmer*innen nicht diskriminiert wurden.

die Arbeitsbedingungen den internationalen gesetzlichen Standards entsprachen.

die Arbeitnehmer*innen gerecht bzw. Fair entlohnt wurden.

Check for updates

Organizational and psychological features of successful democratic enterprises: A systematic review of qualitative research

Christine Unterrainer*, Wolfgang G. Weber, Thomas Höge and Severin Hornung

Institute of Psychology, Applied Psychology – Work and Organizational Psychology, University of Innsbruck, Innsbruck, Austria

In organizational psychology the positive effects of democratically structured enterprises on their employees are well documented. However, the longstanding viability as well as economic success of democratic enterprises in a capitalistic market environment has long been contested. For instance, this has given rise to widespread endorsement of the "degeneration thesis" and the so-called "iron law of oligarchy". By reviewing 77 qualitative studies that examined 83 democratic enterprises (including 15 studies on nine enterprises of the Mondragon Cooperative Cooperation network) within the last 50 years, the present systematic review provides evidence that such enterprises are able to economically survive and prosper. The majority of studied enterprises (63.5%) either resisted pressures toward degeneration or subsequently regenerated after undergoing degenerative processes. Only 9.5% fully degenerated in accordance with the degeneration thesis and the "iron law of oligarchy", while 27.0% of the democratic enterprises showed diverse and mixed forms of degeneration tendencies, indicating that the notion of an "iron law" needs to be revised. Within the nine investigated cases of Mondragon not one single enterprise or group fully degenerated. Three cases showed degenerative tendencies, another three one degeneration tendencies and simultaneously regeneration, one case fully resisted degeneration tendencies (retention) and two cases regenerated. Further, this systematic review provides an overview of organizational and external conditions, non-/democratic or non-/participative practices and psychological phenomena that contribute to the degeneration, regeneration, or resistance to degeneration (i.e., retention). The described examples of such practices may help practitioners to implement and maintain democratic structures and processes in contemporary organizations.

KEYWORDS

democratic enterprises, organizational democracy, workplace democracy, worker cooperatives, retention, degeneration, regeneration

Introduction

Democratic enterprises are characterized by binding organizational structures and processes that entitle a substantial number of employees (at least one third) to participate directly (e.g., in general assemblies, meetings, or votes) or through elected representatives (e.g., on representative boards) in decision-making on strategic and tactical issues (Wegge et al., 2010; Unterrainer et al., 2011; Weber et al., 2020). Worker cooperatives, employee stock ownership plans (ESOPs, if owned by the majority of workers), democratic reform enterprises practicing representative participation and those social enterprises that employ core ideas of deliberative democracy, are prime examples of democratic enterprises. Recently, a comprehensive meta-analysis of quantitative studies has confirmed positive relationships between different types of democratic structures and participatory practices in organizations and positive employee outcomes, such as a perceived supportive climate, civic and prosocial (work) orientations, organizational commitment, and job involvement or work motivation (Weber et al., 2020).

Positive effects of democratic enterprises on employees and society as a whole are more or less well recognized among organizational scholars (see Parker, 2017; Weber et al., 2020). However, the economic success and viability of democratic enterprises, especially of worker cooperatives are more controversial.

Degeneration thesis

Several sociologists and economists have voiced pessimistic views, questioning the potential for economic success and contesting the practical viability of democratic enterprises in a capitalist market environment (see overviews by Cornforth, 1995; Bretos et al., 2020). Specifically, the *degeneration thesis* by Webb and Webb (1914) posits that:

> "[W]orker cooperatives will have to adopt the same organizational forms and priorities as capitalist businesses in order to survive. As a result, it is argued that cooperatives will gradually become dominated by a managerial elite who will effectively take decisions in the cooperative and so undermine democracy and the influence that other workers can exert" (Cornforth, 1995, p. 488).

On the one hand, the principles of capitalistic market economies will put pressure on democratic companies to adapt their internal structure accordingly (isomorphism). On the other hand, Webb and Webb (1914; according to Cornforth, 1995) stated that the worker-owners in worker cooperatives would demonstrate bad work discipline, a lack of operational knowledge and an unwillingness to adopt technical innovations, because they were masters who ruled

their own enterprise. In the longer term, because of decreasing efficiency, democratic enterprises would fail economically or be forced to adopt capitalistic, non-democratic forms of ownership and management.

Strengthening Webbs' argumentation and focusing on internal organizational mechanisms of degeneration, Michels' (1915) "iron law of oligarchy" asserts that all democratic structures will eventually become dominated by powerful elites. This may happen because employees experience a need for leaders. Further, a growing size of a firm makes participative communication, the resolving of conflicts, and quick decisions in democratic meetings difficult, and favors the appointment of a permanent senior management in order to assure consistent corporate governance. Finally, technical specialization requires corresponding experts who gain strong organizational power because of their specific knowledge. Thus, an oligarchy of technological and management specialists will develop, who progressively evade democratic control, thus making their dominance and ruling permanent (Cornforth, 1995; Diefenbach, 2019).

Meister (1984) incorporated this proposition into his *cooperative's life cycle model*. Accordingly, the process of democratic degeneration comprises four stages: conquest, economic consolidation, coexistence, and administrative power (Bretos et al., 2020). The first stage, *conquest*, marks the starting point of a cooperative, characterized by direct democratic decision-making, high idealism, and commitment, as well as common economic, social and cultural goals shared by a small cohesive group of members. Economic functions are still poorly established and governing bodies not well defined. The second stage, *economic consolidation*, is one of transition, when conventional principles of organization develop and initial idealism decreases. Conflicts between egalitarian idealists and managers escalate, strengthening the power of management. In the third stage, *coexistence*, the cooperative loses its radical ideals and social goals, accepting market values instead. This phase is characterized by increases in size, division of labor, and role specialization. Direct democratic practices erode and representative boards are installed, leading to greater distance between managers and regular members. In the fourth stage, *administrative power*, members and representatives lose their influence, because economic logics dominate and an elite of managers takes full control (Meister, 1984; Cornforth, 1995; Bretos et al., 2020).

In his more recent conceptual overview, Diamantopoulos (2012) argues that worker cooperatives suffer from their dual nature, namely from a structural tension between their function as economic enterprise, on the one hand, and their identity which represents a democratic organization following social goals, on the other hand. The longer cooperatives operate economically, the more they grow, and the more the value-oriented, idealistic founders meet a younger generation of pragmatists, the more conflicts between economic and social goals will arise. Market pressures

from economic rivals will increasingly favor the primacy of economic goals and the power of in-house experts to impose capitalist accounting and management methods. According to Diamantopoulos (2012), mature cooperatives are tempted to downplay their socio-political objectives to attract customers and sponsors. Both goal and organizational degeneration, namely, the removal of structures of democratic decision-making and collective ownership, as well as an erosion of the cooperative culture including its democratic values, is becoming increasingly likely. What is more, those large and economically successful cooperatives which undergo a degenerative process may transfer their decline in values to regional cooperative associations and, thus, contribute to a further spread of degeneration.

Additionally, Chaves and Sajardo (2004) analyze the role that managers play in the process of organizational degeneration. They refer to two premises that underlie Michels' (1915) and, following him, Meister's theories: First, social and professional leadership abilities are unequally distributed among the members of a democratic organization. Thus, only a minority of the members possesses strong managerial capabilities. Second, with increasing size and complexity of democratic organizations operating within a competitive market, there is growing pressure for permanent management positions to be created. Persons with comprehensive technological and organizational knowledge will occupy permanent management positions, and will progressively gain control of strategic information, intangible strategic company assets (e.g., exploiting social networks), and experience-based leadership expertise. If those management experts were educated in the spirit of neoliberal ideology, then they will counteract and transform the social and democratic culture. Their growth of expert power will supersede the participation of other employee-owners or their representatives in strategic organizational decision-making. This happens because the latter lack sufficient professional knowledge and social/communicative competence to act as a counterweight. Rather, employee representatives in government councils of democratic enterprises are captured by managers' influence tactics inducing co-opting and connivance (Chaves and Sajardo, 2004).

Following those authors' conceptual considerations, we will review the existing studies with respect to what proportion degeneration takes among the documented cases. Furthermore, we will investigate which of the described conditions, practices, and psychological phenomena that contribute to the degeneration of organizational democracy were observed empirically and whether others, not yet described, can be found, too. Accordingly, Research Question 1 reads:

> RQ1: What organizational and external conditions, non-democratic or non-participative practices, and

psychological phenomena contribute to the degeneration of democratic enterprises?

Retention thesis

Criticizing the deterministic character of the degeneration thesis, Rothschild-Whitt (1976; cf. Rothschild-Whitt and Whitt, 1986) introduced the *retention* thesis (also called: maintenance thesis) in demonstrating that democratic modes of organizations are conditional. Rothschild-Whitt argued that under favorable conditions, democratic enterprises can retain structures and practices of direct democracy and maintain adherence to cooperative, democratic, and humanistic values. Retention does not imply that there are no changes in structural elements, principles, procedures, and participative practices of an organization. Rather, retention means that there are limited changes, which prevent processes of degeneration of the respective democratic enterprise.

Several scholars identified conditions and practices through which democratic enterprises resisted degenerative developments. This was done either theoretically in conceptual essays or empirically in (limited) narrative reviews (see Rothschild-Whitt, 1976; Cornforth, 1995; Bretos et al., 2020; and below).

Organizational conditions which were reported in these reviews included structural aspects, such as

- a small size of the company,
- alternative growth patterns (e.g., fission of the company),
- and appropriate technology that does not require a rigid division of labor (Rothschild-Whitt, 1976).

Democratic and participative practices: Frequently identified in previous reviews and conceptual essays were practices that aim to foster and maintain co-operative principles and ideals by sustaining the democratic values and culture. These include:

- "Cooperativization" of capitalist subsidiaries: The transformation of hierarchically structured enterprises purchased by a democratic parent enterprise into democratic companies may prevent a degenerative process of the respective democratic enterprise group (Bretos et al., 2020).
- Linking the social goals of the enterprise to wider social movements and coordinating the activities with neighboring communities can sustain an orientation of organizational members toward achieving a transition of the capitalist economic system into a more communitarian or alternative-socialist economy (Rothschild-Whitt, 1976; Pineiro Harnecker, 2009; Diamantopoulos, 2012; Bretos et al., 2020).

- Complementarily, having a base in professionals from the regional or local community, who support the democratic enterprise in providing their knowledge or political assistance, or buying its products, will counteract competitive pressure on the market (Rothschild-Whitt, 1976; Diamantopoulos, 2012).
- Further practices to maintain democratic values are institutionalized opportunities for open criticism and discussions among employees (including self-criticism), as well as between hierarchical levels in forums to prevent "oligarchization" (Rothschild-Whitt, 1976; Cornforth, 1995; Eikenberry, 2009).
- In line with a culture of open discussion, institutionalizing the re-enactment of democratic discourse focusing on issues of democracy, social transformation, and community development is considered a promising practice to internalize co-operative principles among employees (Eikenberry, 2009; Bretos et al., 2020).
- Value-based processes of common recruitment, personnel selection, and induction procedures, institutionalization of cooperative education and training, and centrality of a thorough socialization of members (especially also future managers) with regard to cooperative values are suggested to contribute to the cultivation of shared meaning and commitment to the co-operative's aims and practices (Cornforth, 1995; Chaves and Sajardo, 2004; Sauser, 2009; Bretos et al., 2020).
- Transparency, knowledge- and information sharing in addition to the aforementioned HRM methods, periodic rotation of staff among departments and jobs, and task sharing, are suggested as ways of spreading professional skills, expertise, and experience within the workplace as an internal resource base (Rothschild-Whitt, 1976; Cornforth, 1995; Bretos et al., 2020).
- A further principle to prevent degeneration concerns organizing of work in ways to maximize broad-based participation on the shop-floor (e.g., self-managed work groups) and at the management-level to foster a democratic and participatory culture grounded in self-determination, egalitarianism, and solidarity among workers (Hernandez, 2006; Sauser, 2009; Bretos et al., 2020).
- Additionally, democratic and supportive leadership on the level of the organizational units (e.g., departments and work groups) will provide psychological safety and opportunities for the organizational members to participate directly in operational or tactical decision-making and, thus, counteract degenerative tendencies (Sauser, 2009).
- Finally, integrating representatives of the concerned union into democratic decision-making and taking care for

their role to protect the employees' interests can help to prevent an erosion of the democratic processes (Sauser, 2009).

Referring those authors' conceptual considerations and narrative reviews, we are interested in available studies with regard to what proportion retention takes among the documented cases. Furthermore, we will investigate which of the described conditions and practices that contribute to the retention of organizational democracy can be observed empirically and whether others, not yet described, can be identified. We will also consider associated psychological phenomena and formulate the following Research Question 2:

RQ2: What organizational and external conditions, democratic or participative practices, and psychological phenomena contribute to the retention of democratic structures and principles in an enterprise?

Regeneration thesis

The dual nature of cooperatives means that they are both an economic enterprise and a democratic as well as a social association. Despite this inherent conflictual character, cooperatives have been shown to possess the potential to regenerate from degenerative processes (Diamantopoulos, 2012). For instance, Batstone's (1983) Life-Cycle Model of cooperatives is an alternative conception, assuming a resurgence or *regeneration* of organizational democracy. Accordingly, cooperatives initially start out with a system of direct (primitive) democracy. In the second phase, after the first crucial years, the financial basis will have developed and the co-operative is established. In this ensuing phase of *degeneration*, the original spirit and culture will be diluted over time, as the organization becomes more routinized and some members will serve in specialized managerial functions. As the organization increases in size, new workers will be recruited not all of which will become full members of the cooperative. As a result, the extent of direct democracy declines and new forms of representative bodies and institutions are established. This is regarded as "the low point of democracy". In the third and last stage, a *regeneration* (of democracy) can occur. This regeneration is often not a return to the initial form of direct democracy, but associated with a decline in the dominance of professional management and a re-focusing on the interests of workers, as opposed to an economic emphasis on capital or profits. After this final stage is completed, another cycle can commence (Batstone, 1983, p. 150ff; Bretos et al., 2020, p. 439).

The mechanisms regarding how democratic enterprises can regenerate from degenerative tendencies may be similar to the practices promoting retention of organizational democracy described before. In his narrative review, Diamantopoulos

(2012, p. 211) emphasizes the crucial role of the reconstruction of mobilizing social economy networks, multi-stakeholder cooperatives acting as institutional intermediaries, visionary social movement entrepreneurs providing value-activating leadership, and educational and cultural interventions (e.g., fostering engagement for the local economy, creating inter-cooperative solidarity) in the regeneration process. Batstone (1983) pointed out the importance of trainings with regard to co-operative values and Cornforth (1995) and Bretos et al. (2020) refer to the importance of revitalizing the democratic culture as a central practice of regeneration or retention. Revitalizing or preserving the democratic culture and social objectives requires the creation of professional associations and training institutions. Those provide professional education and help to teach comprehensive knowledge and skills concerning democratic, social, and cooperative values and purposes of social economy enterprises for managers. These support organizations should also help democratic companies to recruit or internally select suitable managers (see a conceptual overview by Chaves and Sajardo, 2004).

However, Bretos et al. (2020) criticize that proponents of the regeneration thesis assume a consistent and homogeneous process. More recent studies would emphasize the inherent paradoxical characteristics of cooperatives as members permanently struggle to find a balance between competing market and social demands (Ng and Ng, 2009; Storey et al., 2014; Narvaiza et al., 2017). This implies that cooperatives might undergo processes of *partial regeneration*, reverting only to some democratic organizational structures and practices, while others remain unaltered. In this vein, the cooperative can benefit from participatory and democratic processes, but continue to also have access to resources based on a market logic (Bretos et al., 2020, p. 440). Thus, regeneration may not be a consistent homogeneous process. On the contrary, degeneration and regeneration are not mutually exclusive, but can occur simultaneously.

In developing this theorizing on paradoxical tensions and partial regeneration Bretos et al. (2020) draw on and elaborate the previous life-cycle models by Batstone (1983) and Meister (1984). The revised process-oriented differentiation proposed by Bretos et al. (2020) is the most comprehensive and best developed model and particularly valuable for more in-depth empirical analyses of transformation processes in democratic organizations. Bretos et al.'s (2020) life-cycle model mirrors Meister's (1984) model in Stages 1 (conquest) to 4 (administrative power). The new Stage 5 proposes processes of regeneration—according to Batstone's (1983) model—but additionally includes pathways of institutional isomorphism (capitalistic solidification) or dissolution and exit from the industry. After regeneration, a new life-cycle may start and these processes seem to suggest more or less permanent changes and continuous passages from one stage to another. However, after

institutional isomorphism and dissolution and exit the industry, the life cycle of a cooperative will end (Bretos et al., 2020).

According to the above-mentioned conceptual considerations of different scholars, we will review existing studies with respect to what proportion regeneration takes among the documented cases. Furthermore, we will investigate which of the described conditions and practices that contribute to the regeneration of organizational democracy can be observed empirically and whether others, not yet described, can be identified. We will also consider related psychological phenomena. Accordingly, Research Question 3 asks:

> RQ3: What organizational and external conditions, democratic or participative practices, and psychological phenomena contribute to the regeneration of an enterprise?

The Mondragon Cooperative Corporation—A special case

The Mondragon Cooperative Corporation is the biggest democratic network of worker cooperatives worldwide (see results - research question 4). Because of its vast size and complex organizational structure, enterprises belonging to this conglomerate will be treated in a separate research question:

> RQ4: What forms of transformation and related organizational and external conditions, democratic or participative practices, and psychological phenomena can be found in the Mondragon Cooperative Cooperation network?

Objectives and contributions of this review

To conclude, while a considerable number of studies on transformation processes of democratic enterprises have been conducted, no systematic review exists which indicates the proportion of democratic enterprises undergoing degeneration, regeneration, or retention. Available conceptual essays or narrative reviews each refer only to a rather limited (Sauser, 2009; Diamantopoulos, 2012; Lee and Edmondson, 2017; Diefenbach, 2019) or a corporation-specific (Bretos et al., 2020) selection of existing studies compared to the studies included within our review presented in the following. None of them applied systematic review methodology (e.g., providing criteria for minimal methodological standards of the included studies). We consider this research gap not only of great theoretical but also practical importance. Particularly, as, in additional to a secondary analysis and evaluation of proposed democratic transformation theses, we also seek to explore what external

conditions, organizational practices and related psychological resources are associated with the identified processes of degeneration, regeneration, and resisting the degeneration (i.e., retention). Therefore, our aim is to close this research gap by providing a systematic review on relevant qualitative research studies (published between 1970 and 2020). We focus on qualitative studies, as these are most adequate to answer our research questions. The latter require the analysis of concrete transformation processes of organizational democracy and their accompanying participative or non-participative practices and psychological phenomena (representing resources or obstacles for a vital organizational democracy) in the specific context of the respective enterprises.

Methods

Identification of studies

For conducting a systematic literature review on qualitative research studies examining democratic enterprises, the PRISMA model was used (Moher et al., 2009). The PRISMA flow diagram is depicted in Figure 1. Focusing on studies published between 1970 and 2020, the databases PsycINFO, PSYNDEX, PsycArticles, Business Source Premier, ECONLIT, ERIC, SOCINDEX, and Medline were searched, using 51 different search strings (e.g., "organizational democracy," "industrial democracy," "workers' self-management," "worker co-operative," "democratic firm"; the full list of search terms is provided in Supplementary Table 1). The starting point of 1970 was chosen, because a first wave of empirical studies on employee ownership emerged in the 1970ies (e.g., Obradovic, 1970; Kavcic et al., 1971; Goldstein, 1978; Long, 1978; Nightingale, 1979; Russell et al., 1979). Based on searches of the electronic database, initially 4,054 records were identified. Additionally, by scanning our own extensive literature archive and reference lists of all publications that met the inclusion criteria, 276 additional articles were included.

Screening the literature

Out of the total number of identified articles (4,330), we excluded 2,047 duplicates, articles in daily newspaper or magazines and non-English language articles, thus, yielding 2,283 abstracts to be screened. Based on the abstracts, we further eliminated monographs, reviews, strictly quantitative studies, and non-empirical studies, resulting in 369 full text articles. We assessed full texts according to our inclusion and exclusion criteria, excluding another 292 articles that did not meet standards. Finally, 77 articles were included in the systematic review. These articles were published between 1980 and 2020 and investigated 74

enterprises, plus nine enterprise groups from the Mondragon Cooperative Corporation as a special case. Several identified studies published between 1970 and 1979 did not meet inclusion criteria.

Inclusion and exclusion criteria

Inclusion and exclusion criteria were specified prior to the literature search. In terms of publication type, the focus was on qualitative journal or editorial book articles. Excluded, due to limited resources relative to the extensive number of publications, were monographs, unpublished dissertations, conference proceedings, gray literature, reviews, quantitative studies, non-empirical studies, and articles that were not accessible. Further excluded were articles that examined several democratic enterprises, but reported only general findings, such that no clear inference could be made with regard to the individual enterprises (e.g., Pineiro Harnecker, 2007, 2009, 2012; Brown et al., 2019). In the process of reviewing full-text articles, inclusion/exclusion criteria were further refined. Eventually, we included studies that met the following criteria:

a) Qualitative empirical studies that provide at least a minimum of information on methodology. This means, studies had to specify the number of conducted interviews and, in case of observational or ethnographic studies, the number of conducted observations and duration of the ethnographic field work.

b) To be included, publications needed to focus on issues of degeneration, regeneration, and/or retention of democratic structures and practices or investigate psychological and organizational concepts and features that enhance or impede retention, degeneration or regeneration of democratic enterprises.

c) Democratic structure and practices of the investigated enterprise(s) had to be described in sufficient detail. This means that studied organization(s) can be classified, at the time of their foundation, as a democratic enterprise according to Weber et al.'s (2020) classification criteria: the enterprise has a binding organizational decision-structure that entitles a substantial number of employees (at least one third) to participate directly (e.g., in general assemblies, meetings or votes) or through elected representatives (e.g., on representative boards) in making decisions on strategic or tactical issues (Unterrainer et al., 2011; Weber et al., 2020). Accordingly, networks of freelancers, traditional consumer co-operatives, as well as banking co-operatives and building cooperatives, in which <1/3 of employees possessed ownership and collective decision rights (or with missing data regarding worker ownership), were excluded.

FIGURE 1
PRISMA flow diagram.
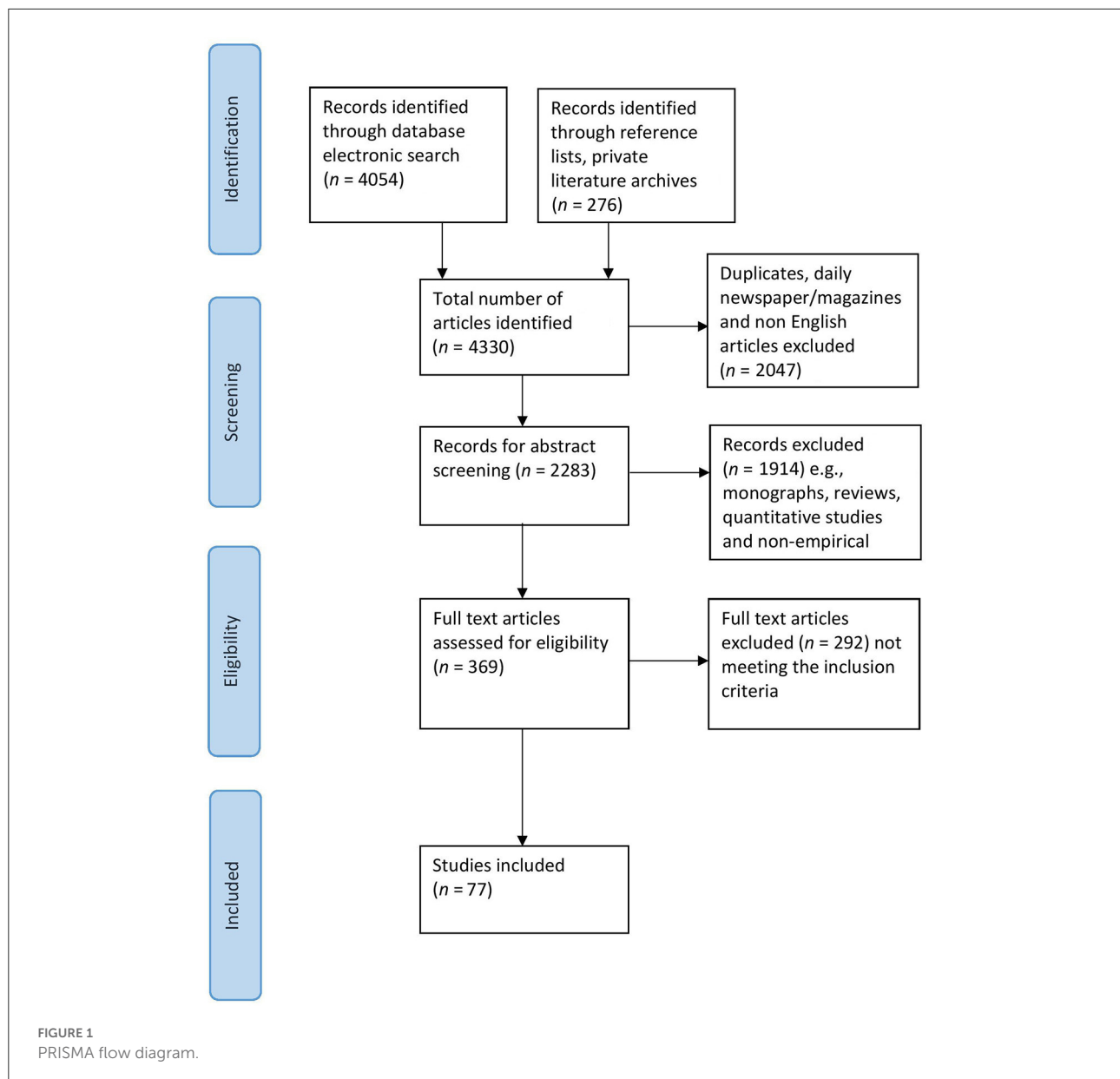
d) A sample description of the studied enterprises has to be provided, specifying, at least, the country where the research was conducted, the year the organization was founded, the year when the democratic model was implemented, the number of employees, the distribution of ownership rights, and the examined branch(es) or division(s).

e) For a valid assessment of the retention thesis, studies are included only if the democratic model of the investigated enterprises has been in place for at least for 5 years. An exception to this criterion are studies reporting on enterprises which degenerated earlier than after 5 years of democratic functioning.

Necessary refinement of different forms of degeneration, retention, and regeneration

According to the research question, the level of analysis is the individual enterprise. Thus, an enterprise represents one case, the empirical studies of which can encompass one or several publications. Based on Batstone's (1983) and Bretos et al.'s (2020) expanded Life-Cycle Model of cooperatives, we developed a retention-degeneration-regeneration classification scheme. Considering the sample of studies resulting from the systematic literature search, we elaborated this classification

scheme by including "degeneration tendency" as an additional category. Thus, our primary classification comprised the four categories of "degeneration," "degeneration tendency," "retention," and "regeneration".

Further, we drew on Cornforth et al.'s (1988) work on three main degenerative dynamics in cooperatives to assess in which form (constitutional, organizational, or goal/democratic-cultural-values-driven) the respective enterprise degenerated or regenerated. The first form, "… *constitutional degeneration* involves cooperatives adopting capitalist forms of organization in which employees are excluded from the rights and benefits of cooperative membership" (Bretos et al., 2020, p. 438). This means that, while the number of employees increases over time, the number of working cooperative members or other employee-owners, entitled to organizational decision-making and participation in collective ownership, decreases. The second form, "… *organizational degeneration* implies that employee involvement in decision-making is diminished in favor of control by a managerial elite or technocracy." (Bretos et al., 2020, p. 438). The third form, "… *goal/cultural degeneration,* entails the prevalence of the conventional business goals of profit seeking and growth over socially-oriented targets" (Bretos et al., 2020, p. 438, following Cornforth et al., 1988). This type of degeneration occurs, when democratic enterprises "are increasingly prioritizing profits or growth as their prime purpose" (Basterretxea et al., 2019, p. 587). Additionally, we also distinguished different degrees or specific combinations within these main categories, see our elaborated classification scheme in the following.

Degeneration

Constitutional degeneration

According to our conceptual elaboration, it is useful to distinguish three forms of *constitutional degeneration.* These forms are empirically interrelated but can be analytically separated:

- A *moderate constitutional degeneration tendency* is present when, although the proportion of employees without democratic rights has increased, the majority (50% or more) still possesses full ownership and collective decision rights.
- A *strong constitutional degeneration tendency* is attested when, after a decline in the proportion of employee-owners relative to the non-owning employees, only a minority of at least 1/3 of employees are still collective owners. This distinction was made because the exclusion of a majority of employees from participation in democratic decision-making represents a significant indication for a process of constitutional degeneration. The more employees are excluded, the smaller the proportion of staff who have opportunities for developing positive organizational attitudes and behaviors or community-related orientations through

practicing democratic participation and responsibility (see reviews by Weber et al., 2020; Kim, 2021).
- A *full constitutional degeneration* applies when, after a decline of the proportion of employee-owners, only a minority of <1/3 of the employees participate in ownership of their enterprise (whereas at least 1/3 of the staff had been employee-owners before). In this case, a formerly democratic and employee-owned enterprise ends up very closely resembling an autocratically structured and managed firm, because a relatively small group of owners and managers exerts control.

Organizational degeneration

- A *organizational degeneration tendency* is defined as a change of the "gestalt" or form of democratic participation, specifically, when decisions that were formerly made in general employee assemblies (direct democracy), are delegated to councils, committees or boards (representative democracy).
- A *full organizational degeneration* is indicated by an increase in functional specialization, for example, in the form of experts and managers who are difficult to replace. Important strategic and tactical decisions, which used to be made in representative democratic bodies (or general assemblies), are referred to the decision-making power of a management elite, which is not elected (and cannot be voted out of office) by the employees. Although a non-binding say or consultative participation of employees may be sought, final decisions are determined by the management elite.

Goal/cultural degeneration

- A *form* of a *goal/cultural degeneration tendency* is characterized by increasing importance attributed to business objectives within organizational communication, planning, and decision-making, relative to social goals of a cooperative economy. Social goals comprise employment security, just or needs-related income, education and training in cooperative values, inter-organizational solidarity, retention of organizational democracy, quality of working life, creating socially useful products or services, or contributing to the local community (cf. Cheney, 1997; Flecha and Ngai, 2014; Bretos et al., 2020). This growing influence of economic relative to social goals in a democratic enterprise can be observed when the rhetoric of business economics is increasingly assimilated in the discourse among managers, among non-managing employees or between both groups (cf. Taylor, 1994; Cheney et al., 2004).
- A *full form* of a *goal/cultural degeneration* manifests in the observation that economic goals and values clearly dominate strategic decisions and shape intra-organizational communication at the expense of social objectives both among managers and between managers and non-managing employees.

Retention

In the case of *retention* of the democratic structure, we did not differ between constitutional, organizational and goal/cultural forms, based on a decision to apply a conservative analytical strategy. Thus, an enterprise was only included in the retention category if no indication for any form of degeneration or degeneration tendency was found.

Within the "retention" category, we differentiated between enterprises on which we only had *cross-sectional information* and enterprises for which we had *longitudinal information*. Several studies had investigated the same enterprise at different points in time. For example, a bicycle-hire and sales shop in Scotland was studied by Oliver (1984), Cornforth (1995), and Sacchetti and Tortia (2020). Such investigations provided us with longitudinal information on whether the enterprises' democratic structure and practices had remained stable or changed over time. Additionally, we included several studies that provided only cross-sectional information on the examined enterprise but did not report any organizational transformations that, possibly, had occurred in the past. For these studies, we were not able to describe the development, but only the status quo of democratic structures and practices at the time of investigation.

Regeneration

Our categorization of different forms of *regeneration* of organizational democracy follows Bretos et al.'s (2020) extension of Batstone's life-cycle model:

> "A smaller but growing line of research has highlighted cooperatives' potential to *regenerate*; that is, to revive cooperative values and re-assemble democratically-structured forms of decision making as a reaction to degeneration" (e.g., Ng and Ng, 2009; Diamantopoulos, 2012; Giagnocavo et al., 2014; Storey et al., 2014; Narvaiza et al., 2017). "These studies illustrate how cooperatives can regenerate by mobilizing resources to trigger organizational change, such as by reinforcing a culture of discussion and open criticism and strengthening members' active participation." (Bretos et al., 2020, p. 436)

Complementary to the three distinguished forms of degeneration (Cornforth et al., 1988), we also differentiate between three forms of regeneration.

Constitutional regeneration

Constitutional regeneration means that in a democratic enterprise that has gone through a process of constitutional degeneration, measures are taken to increase the proportion of employees who participate in democratic decision-making and collective ownership, such that eventually at least the majority of employees (50% or more) is able to participate in democratic processes and ownership.

Organizational regeneration

Organizational regeneration is attested, if in a democratic enterprise that has gone through a process of organizational degeneration, the dominance of managers or other experts in the democratic bodies of this firm is overcome *by changing at least some of the actors* participating in strategic and tactical planning and decision-making.

Goal/cultural regeneration

Goal/cultural regeneration applies when in a democratic enterprise that has gone through a process of goal/cultural degeneration, the dominance of a mindset of economistic values among management or employees has been overcome by facilitating a culture of humanistic, communitarian or cooperative goals and social values that are at least attributed a similar importance.

Results

Preliminary, descriptive results

Table 1 provides a summary of the classification of all $N = 74$ democratic enterprises investigated in the studies included in this systematic review (excluding the Mondragon Cooperative Corporation which is separately described in Section Research question 4: The Mondragon Cooperative Cooperation Network and its forms of transformation as well as relating conditions, practices, and psychological phenomena). This classification demonstrates how many of the studied democratic enterprises show indications for the degeneration thesis and the "iron law of oligarchy" and how many support the counterpropositions of retention and regeneration.

Evidence for processes that amounted to *full degeneration* of democratic structures and processes was reported for $n = 7$ formerly democratic enterprises (9.5%). Out of those, $n = 2$ indicated full constitutional degeneration and $n = 1$ full goal/cultural degeneration. While no example of a full organizational degeneration was found by itself, $n = 4$ cases reported indications for more than one form of full degeneration. In one case, the Kompro (Kalmi, 2002) displayed full constitutional and full organizational degeneration, since the management team bought out all worker shareholders and the decision-making power was confined to this manager elite. The three other originally democratic enterprises underwent transformations into two investor-owned, and one family-owned firm, respectively.

Further, indications for *tendencies of democratic degeneration* were found in overall $n = 20$ cases (27.0%). These could further be subdivided into a moderate ($n = 7$) and strong ($n = 1$) constitutional degeneration tendency, an organizational degeneration tendency ($n = 5$) and a goal/cultural degeneration tendency ($n = 3$). Additionally, $n = 4$ democratic enterprises showed signs of more than one

TABLE 1   Number of companies per transformation form (Mondragon Cooperative Corporation is not included).

Transformation form	Number of enterprises
Full degeneration	**(n = 7)**
Full constitutional degeneration	2
Full organizational degeneration	0
Full goal/cultural degeneration	1
More than one form of full degeneration	4
Degeneration tendency	**(n = 20)**
Moderate constitutional degeneration tendency (worker owner = majority)	7
Strong constitutional degeneration tendency (worker owner = minority)	1
Organizational degeneration tendency	5
Goal/cultural degeneration tendency	3
More than one form of degeneration tendency	4
Retention	**(n = 39)**
Cross-sectional information	8
Longitudinal information	31
Regeneration	**(n = 8)**
Constitutional regeneration	1
Organizational regeneration	3
Goal/Cultural regeneration	4

Overall number of enterprises N = 74.

form of degeneration tendency. One experienced a slight organizational and goal/cultural degeneration tendency, another one a goal/cultural and moderate constitutional degeneration tendency, and the third one a goal/cultural and strong constitutional degeneration tendency.

By far the largest number of $n = 39$ democratic enterprises (52.7%) were allocated to the group that resisted any form of degeneration (classified as *retention*). Out of these, only cross-sectional information was available for $n = 8$ enterprises, whereas longitudinal information was available for $n = 31$ democratic enterprises.

Finally, a number of $n = 8$ cases of *regeneration* could be identified (10.8%), out of which $n = 1$ fulfilled the criteria for constitutional regeneration, $n = 3$ conformed with organizational regeneration, and $n = 4$ showed signs of goal/cultural regeneration.

Supplementary Tables 2–4 provide an overview of all identified enterprises between 1970 and 2020 (Mondragon Cooperative Corporation is not included) that were classified in terms of *full degeneration, degeneration tendency, retention, and regeneration*. The Tables also include information on the country where the respective site is located, the number of employees, the founding year of the company as well as the year of the introduction of the democratic model,

the tenure of democratic practices, and the studies' authors. Additionally, Supplementary Tables 2–4 provide information about the proportion of employee-ownership in each enterprise. For the assessment of organizational democracy, it is relevant whether the majority of employees was participating in democratic governance at the time of study. Out of the 74 enterprises, in $n = 62$ enterprises (83.7%) the *majority of employees were collective owners*, in $n = 4$ enterprises (5.4%) ownership among workers was <50% (*minority were owners*), but higher than 1/3, in $n = 3$ enterprises (4.1%) <1/3 of workers were owners; in two cases (2.7%) the description was not completely clear, but suggested that the majority of employees collectively owned the firm. However, $n = 3$ (4.1%) formerly democratic enterprises had degenerated into a state without employee-ownership by the time of the study (see above). Overall, in most of the cases, the majority of the employees participated in collective ownership of their respective enterprise, which allowed them to participate in strategic and tactical decisions, either directly or indirectly *via* electing their representatives into the democratic boards.

Research question 1: Conditions, practices, and psychological phenomena contributing to degeneration

Research question 1 aimed to identify detrimental organizational and external conditions, non-democratic or non-participative practices, and psychological phenomena that contribute to the degeneration of an enterprise. For a better overview we differentiated between all forms of *full degeneration* (Table 2) and all forms of *degeneration tendency* (Table 3).

Full degeneration

Out of 74 studied enterprises, only seven were classified as *full degeneration*. Table 2 provides the organizational and external conditions, non-democratic and non-participative practices, and psychological phenomena found in those fully degenerated enterprises.

Organizational and external conditions

In more than half of the cases, fully degenerated enterprises were faced with strong and changing market conditions, including market deregulation measures (Ji, 2018; Borowiak and Ji, 2019) or distrust of customers toward democratic enterprises (Bittencourt Meira, 2014) that caused decreases in sales (Narvaiza et al., 2017), forcing them to reduce the workforce (Lindenfeld, 2001). Three enterprises received pressure from external stakeholders, in the sense of being dependent on one single bank influencing their financial (Kranz and Steger, 2016) and personnel decisions (Narvaiza et al., 2017). Further mentioned were union passivity in ownership-related

TABLE 2 Frequencies of conditions, practices, and psychological phenomena of *all forms of full degeneration* mentioned ($n = 7$ enterprises).

Conditions, practices, and psychological phenomena	Frequency	References
1. **Organizational/external conditions:**	15	
Market demands/pressure/competition	4	Lindenfeld, 2001; Bittencourt Meira, 2014; Narvaiza et al., 2017; Borowiak and Ji, 2019
Financial crisis	1	Narvaiza et al., 2017
Forces of external stakeholders (bank, customer)	3	Bittencourt Meira, 2014; Kranz and Steger, 2016; Narvaiza et al., 2017
Insufficient support through external expertise	2	Bittencourt Meira, 2014; Narvaiza et al., 2017
Passivity of union/ambivalent union relations	2	Kalmi, 2002; Borowiak and Ji, 2019
Wrong business decisions	1	Sacchetti and Tortia, 2020
Issued more shares for liquidity/worker owner expectations not fulfilled	1	Lindenfeld, 2001
Product quality problems	1	Bittencourt Meira, 2014
2. **Non-democratic or non-participative practices:**	11	
2.1 Exclusion	2	Kalmi, 2002; Bittencourt Meira, 2014
Excluding new employees from ownership		
2.2 Dysfunctional Human Resources management	1	Kalmi, 2002
No/insufficient cooperative education and training		
2.3 Deficient cooperative culture and climate	2	Kranz and Steger, 2016; Sacchetti and Tortia, 2020
Shaping a culture of involvement and deliberation failed/unfamiliarity with employee ownership concept		
Competitive climate against external competitors	1	Borowiak and Ji, 2019
Intraorganizational conflicts	2	Lindenfeld, 2001; Narvaiza et al., 2017
2.4 Neglect of participation	1	Kalmi, 2002
Goals of employee ownership were not democratizing but dividends and secure employment		
Organization of labor: Low participation opportunities in decision-making	2	Kalmi, 2002; Borowiak and Ji, 2019
3. **Psychological phenomena:**	4	
Weak initial commitment to employee ownership/forced choice of employee buy out	3	Lindenfeld, 2001; Kalmi, 2002; Kranz and Steger, 2016
Low employee commitment to the cooperative idea/low willingness to participate	1	Borowiak and Ji, 2019

matters (Kalmi, 2002), ambivalent relations of employee-owners toward the union that had supported the foundation of the cooperative (Ji, 2018), and ineffective support through external business consultants not familiar with democratic enterprises (Bittencourt Meira, 2014; Narvaiza et al., 2017). Product quality problems (Bittencourt Meira, 2014), making wrong business decisions with respect to expansion (Sacchetti and Tortia, 2020), and issuing additional shares to raise cash for modernization, which meant that worker-owners received reduced benefits and were disappointed by the ownership-model (Lindenfeld, 2001), represented additional detrimental organizational conditions.

Non-democratic or non-participative practices

Concerning non-democratic or non-participative practices, fully degenerated enterprises excluded new employees from being owners (Kalmi, 2002; Bittencourt Meira, 2014) and worker-owners were not offered trainings regarding their rights and responsibilities (Kalmi, 2002). Subsequently, such enterprises failed in shaping a culture of involvement

and deliberation that could turn unfamiliarity with the worker-ownership concept into something familiar and trustable (Kranz and Steger, 2016; Sacchetti and Tortia, 2020). Additionally, ruthless business practices applied by competing transportation network companies strongly harmed the climate within a taxi cooperative (Borowiak and Ji, 2019). Further, conflicts between management and hourly workers arose due to unequal power relations. Hourly workers typically needed to work harder, were not as respected, and did not wield comparable power and authority, but received lower wages than managers (Lindenfeld, 2001; see also Narvaiza et al., 2017). Obviously, maintaining such inequalities undermines a cooperative culture and climate. Moreover, the organization of labor in two fully degenerated companies was characterized by low opportunities for participation in the daily work, and preconditions for effective participation were not addressed (Kalmi, 2002; Borowiak and Ji, 2019). In addition, the aim of employee ownership was not predominantly focused on

TABLE 3 Frequencies of conditions, practices, and psychological phenomena of *all forms of degeneration* tendency mentioned (*n* = 20 enterprises).

Conditions, practices, and psychological phenomena	Frequency	References
1. Organizational/external conditions:	**20**	
Market demands/pressure/competition	10	Schoening, 2006; Jensen, 2011 (5 enterprises); Vieta, 2012; Cathcart, 2014; Meyers and Vallas, 2016; Pansera and Rizzi, 2020
Size of the company (growth)/expansion	6	Meyers, 2006, 2011; Schoening, 2006; Kennelly and Odekon, 2016; Meyers and Vallas, 2016; Hoffman and Shipper, 2018; Pansera and Rizzi, 2020
Crisis (ideological scandal)	1	Meyers, 2006, 2011
Passivity of union/ambivalent union relations	3	Kalmi, 2002 (2 enterprises); Calo and Shipper, 2018
2. Non-democratic or non-participative practices:	**27**	
2.1 Exclusion		
Excluding new employees from ownership	9	Kalmi, 2002 (3 enterprises); Jensen, 2011 (5 enterprises); Pansera and Rizzi, 2020
2.2 Dysfunctional human resources management		
No / insufficient cooperative education and training	4	Kalmi, 2002 (3 enterprises); Vieta, 2014
2.3 Deficient cooperative culture and climate		
Competitive climate against external competitors	1	Calo and Shipper, 2018
Economistic managerial rhetoric	1	Cathcart, 2014
Intraorganizational conflicts	2	Darr, 1999; Cathcart, 2014
Fostering inequality	4	Jensen, 2011 (3 enterprises); Cathcart, 2014
2.4 Neglect of participation		
Goals of employee ownership were not democratizing but dividends and secure employment	4	Kalmi, 2002 (3 enterprises); Cathcart, 2014
Organization of labor: Low participation opportunities in decision-making	2	Kalmi, 2002 (2 enterprises)
3. Psychological phenomena:	**10**	
Weak initial commitment to employee ownership	3	Kalmi, 2002 (3 enterprises)
Perceived weak organizational justice	1	Darr, 1999
High praise of the director prevents redemocratization	1	Jochmann-Döll and Wächter, 2008
Managers caused a breach of trust	1	Meyers, 2011
Managers use democratic organs as career instrument	1	Cathcart, 2013
Work/performance pressure, stress	1	Calo and Shipper, 2018
Job/organizational dissatisfaction	1	Berry and Schneider, 2011
Strong job satisfaction prevents the formation of democratic work teams	1	Jochmann-Döll and Wächter, 2008

democratizing labor relations, but on providing dividends and secure employment (only) for the employee-owners (Kalmi, 2002).

Psychological phenomena

Psychological phenomena found in fully degenerated enterprises mainly referred to employees' weak commitment to employee ownership and to the cooperative idea. Due to a forced choice of "taking over the enterprise or losing the job", initial commitment of workers to employee ownership was weak, as case studies from Estonia, Germany, and Canada indicate (Lindenfeld, 2001; Kalmi, 2002; Kranz and Steger, 2016).

Degeneration tendency

Compared to enterprises with full degeneration (*n* = 7), far more enterprises (*n* = 20) were attested only a *degeneration tendency* (see Table 3).

Organizational and external conditions

The most frequent organizational/external conditions found to threaten democratic enterprises were unfavorable market demands, pressure and competition in half of the cases (e.g., see Jensen, 2011; Vieta, 2012; Cathcart, 2014). Expansion and enlarging the workforce were also common features limiting organizational democracy. However, growing in size is often an indicator of prosperous organizations. This is also true for democratic enterprises. Due to our definition of constitutional and organizational degeneration tendencies, enterprises can be

allocated to this category even if they flourish. For example, the cooperative Home Care Associates started as a small basic-democratic collective with 12 employees, 100% employee-owned. As a result of their success, the number of employees rose to about 2,300 and about 70% of them were worker-owners (Berry and Schneider, 2011; Kennelly and Odekon, 2016). However, since the percentage of worker-owners decreased, this case was categorized as a moderate constitutional degeneration tendency (cf. several publications by Meyers). Finally, passivity of union members in ownership-related matters (Kalmi, 2002), ambivalent relations between worker owners and unions (Calo and Shipper, 2018), and an ideological scandal in one enterprise, were identified as other organizational issues that can foster degenerative tendencies.

Non-democratic or non-participative practices

Reviewed studies provide several examples of non-democratic or non-participative practices contributing to degeneration tendencies. Nine enterprises reported that tensions in the workforce existed concerning the issue of exclusion of new employees from ownership. Some argued that it was too expensive for workers to buy in, or that not all workers would want to become owners and assume associated responsibilities, or that new members would not share the values of the founding members (Jensen, 2011). However, especially in the Estonian employee-owned enterprises, it was the management team that did not encourage new employees to acquire ownership, because managers were reluctant to enlarge the number of owners (Kalmi, 2002). In three of the Spanish Sociedades Laborales (SAL) described by Jensen (2011), goal/cultural degeneration tendencies occurred, since these enterprises differentiated between members and non-members when paying the annual bonus. This non-democratic practice undermines cooperative culture by fostering inequality and tensions between cooperative attitudes of solidarity and the self-interest of the respective group of employees (see also Darr, 1999; Jensen, 2011). In some enterprises, missing cooperative education and training (Kalmi, 2002), low opportunities for and inefficient participation in decision-making (Kalmi, 2002) as well as concerns with dividends and secure employment for the employee-owners, instead of democratizing labor relations, as the primary goals of employee ownership, contributed to degenerative tendencies (Kalmi, 2002; Cathcart, 2013).

Psychological phenomena

With respect to psychological phenomena that contribute to degenerative tendencies, Kalmi (2002) observed weak initial commitment to employee ownership in three Estonian enterprises. A forced choice between an employee buy-out and losing one's job may explain this weak initial commitment. At

Opel Hoppmann, a large German automobile trade (Jochmann-Döll and Wächter, 2008), high praise of the director and high job satisfaction among employees may be responsible for an organizational degeneration tendency. These authors explained that the collective image of the director as a highly competent and "perfect" person permitted employees to justify their own shortcomings and lack of initiatives. Furthermore, due to high job satisfaction, employees felt less compelled to get involved in activities like work teams. Accordingly, Jochmann-Döll and Wächter (2008) reported that work teams, which are one pillar of the democratic model as conceived by the founder, were practically non-existent. In one enterprise, the People's Daily Bread Bakery (California) internal struggles with accountability led to a breach of trust in the democratic founding principles. Instead, a managerial system was established based on representative government rights (Meyers, 2011), indicating an organizational degeneration tendency. Finally, employee-owners' perception that some managers instrumentalized democratic boards for their individual career, may have contributed to a tendency of organizational degeneration (Cathcart, 2013).

Research question 2: Conditions, practices, and psychological phenomena contributing to retention

Research question 2 referred to the organizational conditions, democratic or participative practices, and psychological phenomena that contribute to the *retention* of organizational democracy (see Table 4). As reported above, the majority of the investigated 74 enterprises, precisely 39 (52.7%), resisted degeneration and degenerative tendencies and were classified as retention. In his context, we found several beneficial conditions and practices previously reported by other scholars (e.g., Rothschild-Whitt, 1976; Cornforth, 1995; Bretos et al., 2020), but also identified several practices not discussed elsewhere.

Organizational and external conditions

Organizational and external conditions were relatively sparsely reported. Small company size was mentioned in six cases as a supportive condition to maintain basic democratic practices, facilitating direct participation in decision-making (Cornforth, 1995; Ng and Ng, 2009; Gupta, 2014; Jaumier, 2017), which is also the case for low complexity of the production process. Further, apparently, a stable market and consumer base can support the economic survival of democratic enterprises. Finally, some industries might be better suited for sustaining democratic principles. For example, deep miners showed a strong worker identity and thus also hold strong

commitments to their Welsh cooperative colliery (Hoffmann, 2006), which is an important prerequisite for the retention of democratic structures.

Democratic or participative practices

Democratic and participative practices contributing to retention are mentioned in numerous instances. Linking with broader social movements to promote community-based goals is a practice that has been suggested before (Rothschild-Whitt, 1976; Diamantopoulos, 2012; Bretos et al., 2020). In the present systematic review, 21 successful, i.e., not degenerated, democratic enterprises showcased different ways of connecting with social movements and the community. For example, W. L. Gore and Associates permits every employee 8–16 paid hours per year to work with non-profits in their community (Hoffman and Shipper, 2018). The Cheeseboard Collective (a bakery and restaurant in USA) donates money and in-kind products to local public schools, gives away food to homeless shelters, and strengthens the cooperative movement by sending their members to workshops and conferences, creating networks, and encouraging schools to visit them to see how a cooperative operates (Gupta, 2014; for cases from different contexts see, e.g., Hadley and Goldsmith, 1995; Majee and Hoyt, 2009, 2010; Vieta, 2012; 2014; Kociatkiewicz et al., 2021). Furthermore, the Cheese Board Collective and Scopex (a shaping of sheet firm in France) put effort into consciously staying small in order not to endanger their basic democratic principles and practices (Gupta, 2014; Jaumier, 2017).

Applying methods of Human Resources Management (HRM) that are based on cooperative and democratic values, 18 enterprises that resisted degeneration and degenerative tendencies indicated that they continuously educate employees on cooperative values and train them in new skills (e.g., see Hoffmann, 2003; Hoffman and Shipper, 2018; Wren, 2020). Thus, workers acquire knowledge about entrepreneurial tasks, participation rights, and responsibilities. Moreover, democratic and cooperative principles can be internalized by introducing or connecting new and older members (Ng and Ng, 2009). Value-based employee selection, common recruitment and induction procedures, as well as further socialization processes are frequently used participative practices that consolidated the retention of democratic enterprise structures. Democratic enterprises put a lot of effort into the recruitment and subsequent socialization process: first they make sure that the applicants' values are aligned with the company's democratic and cooperative ideals; second, the applicant has to pass a probation period of working in different areas to get to know as many members as possible; and, thirdly, the decision for or against hiring a new member is based on consensus of all members or a membership committee. Through mentoring programs, newcomers are introduced into the company and trained in cooperative practices through collaborative and informal

learning (e.g., Vieta, 2012, 2014; Wren, 2020). Information-, knowledge-, and experience-sharing as well as personality-promoting forms of working (like job rotation between production, service, and administrative tasks; job enlargement; job enrichment) are further important participative practices that many enterprises used for resisting degeneration (e.g., see Oliver, 1984; Cornforth, 1995; Jensen, 2011; Harrison et al., 2018; Hoffman and Shipper, 2018). These practices include, for example, an open book and open-door policy, newsletters, annual reports, and the publication and discussion of minutes of board meetings (Greenberg, 1984; Majee and Hoyt, 2009). Information transfer seems to be most effective if board members hold regular jobs and disseminate information to their colleagues on the shop floor as it was the case in the Pacific-Northwest plywood cooperatives in the USA (Greenberg, 1984).

Supporting the development of a cooperative culture and work climate, e.g., through fostering equality among employees, was a frequently applied practice realized in 20 cases. For instance, this was achieved by distributing the annual bonus equally among members and non-members (Jensen, 2011), exercising the one person-one-vote principle, upholding similar rights for old and new members, and equal pay (Jackall, 1984) or at least limited wage differentials (Jaumier, 2017). Open criticism and discussion as well as accountability and overt scrutiny of managers are further democratic practices mentioned frequently as contributing to democratic retention (e.g., see Greenberg, 1980, 1984; Jackall, 1984; Kociatkiewicz et al., 2021). In respective enterprises, conflicts were not suppressed (Ng and Ng, 2009; Ashforth and Reingen, 2014), official grievance and dispute resolution procedures were implemented and frequently used (Hoffmann, 2001, 2006; Ashforth and Reingen, 2014), and members refused the division into those who command and those who obey—adhering to an attitude of "we are all bosses" instead (Jaumier, 2017). In Natura, a natural foods co-op in a large US city, conflicts are an integral component of their democratic functioning (Ashforth and Reingen, 2014). By advocating and practicing rituals "… the messiness of managing the duality was held somewhat in check by regularized calls before meetings for keeping conflict in bounds, regularized interventions during meetings when conflict went out of bounds, and regularized compliments and thank-yous to opponents after contentious meetings" (Ashforth and Reingen, 2014, p. 505). Another democratic practice was that, members were encouraged to engage in ongoing social discourses on democracy, social transformation, and community development as it was common in Argentinian worker recuperated enterprises (Vieta, 2012, 2014). Similarly, in the Caring Home Services cooperative (Majee and Hoyt, 2009), values like fairness, equity, and respect were constantly reviewed, updated, and reinforced to secure that business operations and workers' actions were aligned with these principles.

The organization of labor plays a crucial and frequently mentioned role in the socialization process by supporting

TABLE 4 Frequencies of conditions, practices, and psychological phenomena of *all forms of retention* mentioned (*n* = 39 enterprises).

Conditions, practices, and psychological phenomena	Frequency	References
1. Organizational/external conditions:	**14**	
Small size of the company	6	Jackall, 1984; Cornforth, 1995 (2 enterprises); Ng and Ng, 2009 (3 enterprises);
Stable consumer base/market, access to a strong market	2	Majee and Hoyt, 2009; Gupta, 2014
Low capital intensity	1	Sacchetti and Tortia, 2020
Low complexity of the production processes	2	Greenberg, 1980, 1984
Support through union/positive union relations	2	Timur and Timur, 2016; Dai et al., 2019
Industry: strong worker identity with their profession as deep miners	1	Hoffmann, 2006
2. Democratic or participative practices:	**181**	
2.1 Integration and delimitation (boundary management)		
Linking with broader social movements to promote community-based goals	21	Hadley and Goldsmith, 1995; Ng and Ng, 2009; Majee and Hoyt, 2010; Cornwell, 2012; Vieta, 2012; 2014 (3 enterprises); Gupta, 2014; Langmead, 2016, 2017; Sobering, 2016; Timur and Timur, 2016; Hoffman and Shipper, 2018 (2 enterprises); Dai et al., 2019; Westoby and Shevellar, 2019; Wren, 2020 (3 enterprises); Kociatkiewicz et al., 2021 (2 enterprises)
Effort to stay small/resist to grow	2	Gupta, 2014; Jaumier, 2017
2.2 Value-based human resources management		
Value-based personnel selection	11	Cornforth, 1995; Hoffmann, 2001, 2003, 2006; Majee and Hoyt, 2009; Gupta, 2014; Hoffman and Shipper, 2018 (2 enterprises); Wren, 2020 (3 enterprises)
Common recruitment and induction procedures	13	Jackall, 1984; Hoffmann, 2003, 2006; Timur and Timur, 2016; Langmead, 2017 (2 enterprises); Hoffman and Shipper, 2018 (2 enterprises); Wren, 2020 (3 enterprises); Kociatkiewicz et al., 2021
Cooperative education and training	18	Hoffmann, 2003; Ng and Ng, 2009 (3 enterprises); Majee and Hoyt, 2010; Cornwell, 2012; Vieta, 2012; 2014 (3 enterprises); Ashforth and Reingen, 2014; Boguslaw and Taghvai-Soroui, 2018; Hoffman and Shipper, 2018 (2 enterprises); Sobering, 2019; Wren, 2020 (3 enterprises); Kociatkiewicz et al., 2021
Further value-based socialization process	16	Jackall, 1984; Hoffmann, 2001, 2003; Atzeni and Ghigliani, 2007; Majee and Hoyt, 2010; Cornwell, 2012; Vieta, 2012; 2014 (3 enterprises); Langmead, 2016, 2017; Timur and Timur, 2016; Hoffman and Shipper, 2018; Wren, 2020 (3 enterprises)
Knowledge/information/experience sharing	15	Greenberg, 1980, 1984 (3 enterprises); Cornforth, 1995 (2 enterprises); Ng and Ng, 2009 (3 enterprises); Majee and Hoyt, 2010; Langmead, 2016, 2017; Hoffman and Shipper, 2018 (3 enterprises); Sobering, 2019
Job rotation/job enlargement/job enrichment (production, service or administrative tasks)	15	Greenberg, 1980, 1984 (2 enterprises); Cornforth, 1995 (2 enterprises); Ng and Ng, 2009; Jensen, 2011; Gupta, 2014; Sobering, 2016; Langmead, 2017; Harrison et al., 2018; Wren, 2020 (2 enterprises); Kociatkiewicz et al., 2021 (2 enterprises)
2.3 Support of cooperative culture and climate		
Open criticism and discussion, permanent requirement for accountability and overt critique of managers or elected representatives	14	Greenberg, 1980, 1984 (2 enterprises); Hoffmann, 2005, 2006 (2 enterprises); Ng and Ng, 2009; Ashforth and Reingen, 2014; Langmead, 2016, 2017; Jaumier, 2017; Sobering, 2019; Kociatkiewicz et al., 2021 (2 enterprises)
Social discourses emphasizing democracy, social transformation, and community development	7	Majee and Hoyt, 2009; Vieta, 2012, 2014 (3 enterprises); Ashforth and Reingen, 2014; Sobering, 2016; Hoffman and Shipper, 2018
Fostering equality	20	Greenberg, 1980, 1984 (2 enterprises); Hoffmann, 2006; Jensen, 2011; Cornwell, 2012; Vieta, 2012; 2014 (3 enterprises); Gupta, 2014; Langmead, 2016, 2017; Sobering, 2016, 2019; Jaumier, 2017; Harrison et al., 2018; Hoffman and Shipper, 2018 (2 enterprises); Dai et al., 2019; Wren, 2020 (2 enterprises); Kociatkiewicz et al., 2021

(Continued)

TABLE 4 (Continued)

Conditions, practices, and psychological phenomena	Frequency	References
Dispute resolution system	3	Hoffmann, 2001, 2005; Ashforth and Reingen, 2014
2.4 Support of participation		
Random selection or frequent change of democratic board members	4	Greenberg, 1980, 1984 (3 enterprises); Hoffmann, 2005
Democratic leadership/peer monitoring/weak span of control	5	Greenberg, 1980, 1984 (3 enterprises); Atzeni and Ghigliani, 2007; Jensen, 2011
Organization of labor: reinforcement of broad-based participation	17	Greenberg, 1984 (2 enterprises); Hadley and Goldsmith, 1995; Majee and Hoyt, 2010; Jensen, 2011; Cornwell, 2012; Gupta, 2014; Langmead, 2016, 2017; Jaumier, 2017; Boguslaw and Taghvai-Soroui, 2018 Harrison et al., 2018; Hoffman and Shipper, 2018; Sobering, 2019; Sacchetti and Tortia, 2020; Kociatkiewicz et al., 2021 (2 enterprises)
3. Psychological phenomena:	**78**	
Strong commitment to cooperative idea and to the enterprise/loyalty/"family"	24	Greenberg, 1984 (2 enterprises); Hadley and Goldsmith, 1995; Hoffmann, 2005, 2006; Ng and Ng, 2009 (3 enterprises); Jensen, 2011; Cornwell, 2012; Ashforth and Reingen, 2014; Gupta, 2014; Langmead, 2016, 2017; Sobering, 2016; Timur and Timur, 2016; Harrison et al., 2018; Hoffman and Shipper, 2018; Dai et al., 2019; Wren, 2020 (3 enterprises); Kociatkiewicz et al., 2021 (2 enterprises)
Psychological ownership	17	Greenberg, 1984 (2 enterprises); Ng and Ng, 2009 (2 enterprises); Hoffmann, 2016 (2 enterprises); Timur and Timur, 2016; Langmead, 2017 (2 enterprises); Harrison et al., 2018; Hoffman and Shipper, 2018 (2 enterprises); Wren, 2020 (3 enterprises); Kociatkiewicz et al., 2021 (2 enterprises)
Generativity	1	Langmead, 2017
Perceived organizational justice	3	Hoffmann, 2001, 2005; Cornwell, 2012
Mutual perspective taking and care/prosociality	15	Greenberg, 1980, 1984 (3 enterprises); Jackall, 1984; Vieta, 2012; 2014 (3 enterprises); Ashforth and Reingen, 2014; Hoffmann, 2016 (4 enterprises); Harrison et al., 2018; Dai et al., 2019; Westoby and Shevellar, 2019
Social inclusion	4	Sobering, 2016; Westoby and Shevellar, 2019; Kociatkiewicz et al., 2021 (2 enterprises)
Sacrifices for the organizational community	9	Oliver, 1984; Gupta, 2014; Langmead, 2016, 2017; Boguslaw and Taghvai-Soroui, 2018; Hoffman and Shipper, 2018 (3 enterprises); Kociatkiewicz et al., 2021
Entrepreneurial motives/readiness for innovative behavior	5	Greenberg, 1980, 1984 (3 enterprises); Langmead, 2016, 2017
Job/organizational satisfaction	1	Dai et al., 2019

broad-based participation. In smaller enterprises, consensus-based decision-making is common to make sure that diverse opinions and viewpoints are taken seriously, leading to an ongoing negotiation of social reality (e.g., Oliver, 1984). In bigger enterprises, like the Scott Bader Commonwealth (Hadley and Goldsmith, 1995) or the Plywood Cooperatives (Greenberg, 1984), both direct and representative forms of participation were practiced in each case. Members typically participated directly in the assembly and voted for representatives in boards or councils with regular rotations (e.g., Cornforth, 1995; Jensen, 2011). In a few cases, members of boards were randomly selected or frequently rotated to prevent organizational degeneration (e.g., Greenberg, 1980; Hoffmann, 2005). In this vein, members maintained control of the enterprise, and, as Greenberg (1984) summarized: "… direct and representative democracy can not

only exist together but can also serve to enrich each other" (p. 213). In five cases, democratic or self-leadership was practiced, creating broad spans of control and allowing employees more autonomy in their daily work (e.g., Greenberg, 1980; Atzeni and Ghigliani, 2007; Jensen, 2011).

Psychological phenomena

Several psychological phenomena that may foster the retention of democratic enterprises could be identified. First, 24 companies indicated a strong commitment to the cooperative idea and the enterprise. Member employees are convinced of the founding principles of democracy, solidarity, and equality and, due to constructively resolving conflicts, feel a strong bonding among members, experiencing the collective as a

family unit (e.g., Ng and Ng, 2009; Gupta, 2014; Harrison et al., 2018). A second psychological phenomena, found in 17 democratic enterprises resisting degeneration, is strong psychological ownership experienced by working members, e.g., see the ethnographic study on two Polish co-operatives practicing solidarity economy by Kociatkiewicz et al. (2021; cf. also studies by Hoffmann, 2016; Wren, 2020). Pierce et al. (2001) defined psychological ownership as an affective and cognitive state of mind "in which individuals feel as though the target of ownership (material or immaterial in nature) or a piece of it is 'theirs'. The core of psychological ownership is the feeling of responsibility and being psychologically tied to an object" (Pierce et al., 2001, p. 299). Through possessing shares, employees are real owners and have a strong sense that it is them who run the enterprise. Accordingly, they feel responsible and accountable for their actions, developing an identity of ownership (Greenberg, 1984; Hoffman and Shipper, 2018). In connection with this ownership identity, in nine enterprises, employees were willing to accept personal sacrifice for the success and survival of the community; e.g., accepting pay cuts and unpaid overtime before considering leaving (Oliver, 1984; Hoffman and Shipper, 2018), and 15 companies emphasized their employees' mutual perspective taking, caring for and helping out colleagues if necessary (e.g., see Greenberg, 1980, 1984; Harrison et al., 2018; Dai et al., 2019; Westoby and Shevellar, 2019).

Research question 3: Conditions, practices, and psychological phenomena contributing to regeneration

Research question 3 asked what organizational/external conditions, democratic or participative practices, and psychological phenomena contribute to the regeneration of an enterprise (see Table 5). Overall, we identified eight democratic enterprises as fulfilling conditions for *regeneration* (10.8%).

Organizational and external conditions

Concerning the regenerated enterprises, the studies reported no organizational or external conditions that were helpful in the regeneration process.

Democratic or participative practices

With respect to democratic or participative practices that contribute to regeneration, we found fewer but similar aspects as for retention (presented in Section Research question 2: Conditions, practices, and psychological phenomena contributing to retention).

In three enterprises, a small Spanish baking equipment firm, a medium-sized French construction cooperative, and an Argentinean recuperated cooperative, links with broader social movements, namely a network of companioned worker cooperatives and a business ethics network, respectively, supported their goal and cultural regeneration process (see Bryer, 2011; Narvaiza et al., 2017). Two other small worker cooperatives countered organizational degeneration when growing larger through segmentation in basic-democratic divisions (Cornforth, 1995).

Knowledge-, information-, or experience- sharing were reported as participative practices in two enterprises that had degenerated due to unequal treatment of members and mistrust in management. Both enterprises were thus able to rebuild trust in management. In one enterprise, a small British wholesaler cooperative, the management committee, which was elected by the workers, regularly reported their activities, including presenting and discussing the business plan, installing a weekly discussion for current issues, and making available meeting minutes for all members to scrutinize (Jones, 2000). In the other enterprise, a big Indian jute mills, the new president held a series of meetings with all employees, made himself accessible, and asked for employee opinions and suggestions *via* installing complaint boxes. In combination with treating all employees equally, e.g., through consistent and fair rules, the new president achieved to rebuild trust in management and contributed to the improvement of the cooperative climate (Kandathil and Varman, 2007). As mentioned above, fostering equality by electing unskilled workers as representatives was a rather unusual democratic practice implemented in a medium-sized Indian service cooperative to facilitate the regenerating process (Varman and Chakrabarti, 2004). As an example, for value-based HRM, cooperative education and training was another supporting democratic practice. Unskilled workers were empowered by skill development and enhanced democratic consciousness. This socialization process as a democratic practice for fostering regeneration resulted in the implementation of a culture of equality (Varman and Chakrabarti, 2004). Within a recuperated cooperative in Argentina open criticism and discussion were important ingredients in ongoing dialogues between individual and collective needs as well as about the purposes of their activity within society. Hence, social discourses emphasizing democracy, social transformation and community development were psychological practices that supported the cooperative to regenerate from their degenerating tendencies (Bryer, 2011). Further, HRM practices that helped in the regeneration process were common recruitment and induction procedures. Applicants had longer probationary periods, were mostly local workers, and consensual decisions were made after getting feedback from the whole staff (Kennelly and Odekon, 2016).

The organization of labor and the reinforcement of broad-based participation were reported as democratic practices

54

TABLE 5 Frequencies of conditions, practices and psychological phenomena of all forms of regeneration mentioned ($n = 8$ enterprises).

Conditions, practices, and psychological phenomena	Frequency	References
1. Organizational/external conditions:	0	
2. Democratic or participative practices:	21	
2.1 Integration and delimitation (boundary management)	3	
Linking with broader social movements to promote community-based goals		Bryer, 2011; Narvaiza et al., 2017 (2 enterprises)
Effort to stay small/resist to grow/cell division	2	
		Cornforth, 1995 (2 enterprises)
Support through external expertise	1	
		Narvaiza et al., 2017
2.2 Value-based human resources management	1	
Common recruitment and induction procedures		Kennelly and Odekon, 2016
Cooperative education and training	2	
		Varman and Chakrabarti, 2004; Narvaiza et al., 2017
Further value-based socialization process	1	
		Varman and Chakrabarti, 2004
Knowledge/information/experience sharing to rebuilt trust	2	
		Jones, 2000; Kandathil and Varman, 2007
Job rotation/job enlargement/job enrichment (production, service or administrative tasks)	1	
		Cornforth, 1995
2.3 Support of cooperative culture and climate	2	
Fostering equality		Varman and Chakrabarti, 2004; Kandathil and Varman, 2007
Open criticism and discussion, permanent requirement for accountability and overt critique of managers or elected representatives	1	
		Bryer, 2011
Social discourses emphasizing democracy, social transformation, and community development	1	
		Bryer, 2011
2.4 Support of participation	4	
Organization of labor: reinforcement of broad-based participation		Jones, 2000; Varman and Chakrabarti, 2004; Kennelly and Odekon, 2016; Narvaiza et al., 2017
3. Psychological phenomena:	4	
Strong commitment to cooperative idea and to the enterprise/loyalty/"family"	3	
		Bryer, 2011; Kennelly and Odekon, 2016; Narvaiza et al., 2017
Sacrifices for the organizational community	1	
		Bryer, 2011

fostering regeneration in four of the eight cases. In two enterprises (Jones, 2000; Kennelly and Odekon, 2016), direct elements of participation were re-introduced (e.g., consensual decisions and general meetings). In the third enterprise, unskilled workers took the initiative in the general assembly until all elected positions were held by these low skilled employees (Varman and Chakrabarti, 2004). In the fourth company, the strongly hierarchical organizational structure was replaced by a horizontal structure focusing on democratic work groups whose members elected their leaders (Narvaiza et al., 2017).

Psychological phenomena

We identified only two psychological phenomena that contributed to enterprises' regeneration. Three enterprises reported employees' strong commitment to the cooperative idea and to the enterprise (Bryer, 2011; Kennelly and

Odekon, 2016; Narvaiza et al., 2017). Additionally, in an Argentinean recuperated cooperative, members' willingness to accept personal sacrifices for the organizational community was one psychological phenomenon considered vital to their regeneration process (Bryer, 2011).

Research question 4: The Mondragon Cooperative Cooperation network and its forms of transformation as well as relating conditions, practices, and psychological phenomena

In 2019, the Mondragon Cooperative Corporation (MCC) encompassed about 264 firms, 98 of them worker cooperatives, and had 81,837 employees. It was divided into an industrial, a retail, a service, and an educational sector (see, also in the

following, Basterretxea et al., 2022). In 2020, 75.0% of employees in the industrial sector were cooperative members (https://www.mondragon-corporation.com/urtekotxostena/datos-basicos.php?l=en; retrieved April 19, 2022). In the following, a multinational worker cooperative that comprises a parent cooperative and several subsidiaries is termed an *enterprise group*.

Table 6 shows an overview of all nine cases of enterprises or enterprise groups within the Basque Mondragon network, which met inclusion criteria based on methodological standards. Overall, the included studies contain only one democratic enterprise group, namely the ULMA group, which represented a case of *retention* at the time of investigation. Further, three other enterprises (Fagor Electrodomésticos Group, LANA cooperative, MAPSA cooperative) exhibited *degeneration tendencies* without any successful attempts of regeneration reported in the available studies. One of these, the Fagor Electrodomésticos group—which some years prior was the largest industrial worker cooperative in the world—closed in 2013 because of insolvency after 57 years of mostly successful democratic and economic activity (Basterretxea et al., 2019). Five democratic enterprises (Coprecci cooperative, EB cooperative, Eroski group, Fagor Ederlan group, Maier group) underwent processes of *regeneration*, although three of those still showed moderate (Coprecci cooperative, Fagor Ederlan group) or stronger *tendencies* (Eroski group) of a fragmentary form of *degeneration* during the investigation period (cf. the conclusions regarding an "ongoing tension" of degenerative and regenerative processes by Storey et al., 2014; Bretos et al., 2020).

To evaluate the state of organizational democracy it is relevant whether the majority of employees was participating in democratic governance of their company at the time of investigation. Supplementary Table 5 provides this information. Five of the nine cases represent enterprises in which the majority of workers were owners (Coprecci, EB cooperative, Fagor Ederlan group, LANA, ULMA group), whereas in two enterprises (Fagor Electrodomésticos group, Eroski group) ownership by workers was <50%, but higher than 33%. This is considered a *structural polarization*—representing a structural indicator of constitutional degeneration—between a democratically ruling minority of working members and a majority of salaried workers excluded from democratic decision-making. For two enterprises (Maier group, MAPSA cooperative), the proportion of employee-owners was not specified in the respective studies.

Available studies do not provide a clear-cut picture of transformation tendencies in the overall Mondragon network. However, considering the size and complexity of the included enterprise groups, a closer look at these cases seems warranted.

Degeneration tendency

The Fagor Electrodomésticos group (founded in 1956; comprising 10,470 employees at 18 plants in Spain, France,

China, Poland, Morocco, and Italy in 2006, but in 2013, the year of closure, only 5,500 employees remained; Bretos et al., 2019) represents an example of MCC multinational industrial cooperatives. Both showed tendencies of strong *constitutional degeneration* through acquiring capitalist subsidiaries in several continents in the mid-2000s. This expansion was partly forced by the capitalist "liberation" of international markets. In contrast to Fagor Ederlan, Fagor Electrodomésticos did not solve the programmatic contradiction between cooperative and capitalist principles: Only 35.4% of its workforce were cooperative members in its last years (Basterretxea et al., 2019), and, finally, it became insolvent after 50 years of economic success. In their grounded-theory based study, Basterretxea et al. (2019, p. 589) summarize the following main reasons for failure as perceived by experienced long-time executives, managers, workers, and other stakeholders:

> "The burst of Spanish property bubble and the consequent drop in sales of household appliances, marketing and product positioning problems, the increased bargaining power of big retailers entrants …, the increased competitive rivalry, the poor implementation of the internationalization strategy, the size problem (too small compared to main competitors and too big to be efficiently run as a cooperative), failures in the cooperative governing bodies, and—above all—poor decisions about major investments."

Further organizational conditions and practices that may have contributed to tendencies of constitutional and goal/cultural degeneration of the enterprise group and, eventually, to its demise, are reported in the respective studies included in the present review (see Table 7 and, in detail, Errasti et al., 2016, 2017; Bretos and Errasti, 2018; Basterretxea et al., 2019, 2022; Bretos et al., 2019), for example: product quality problems, resistance of unions against crises-induced dismissals, inappropriate personnel recruitment and selection (e.g., nepotism resulting in skills gaps and shirking), insufficient cooperative training and transfer of the cooperative values to new workers, lack of trust between parent coops and foreign subsidiaries, lack of cooperative tradition in foreign subsidiaries, reverse dominance hierarchy (basis-democratic governance and stakeholder democracy hampered the implementation of unpopular adaptation measures) and unbalanced power of interest groups leading to a climate of critique and accusation against management, abrupt turnover in the company's top management and councils, deskilling Tayloristic work organization, toleration of absenteeism and shirking through laissez-faire leadership. Psychological phenomena that were associated with degeneration tendencies comprise the lack of expertise of democratic board members and top managers, slow and often difficult decision-making and conflicts in democratic bodies, waiving the inclusion of independent

TABLE 6   Number of enterprise cases per transformation form from the Mondragon Cooperatives network.

Degeneration tendency (number of enterprises) $n = 3$		
Goal/cultural degeneration tendency	Moderate Constitutional degeneration tendency (worker owners = majority) AND Goal/cultural degeneration tendency	Strong Constitutional degeneration tendency (worker owners = minority) AND goal/cultural degeneration tendency
MAPSA cooperative (Cheney, 1997, 2001)	LANA cooperative/part of EREIN group (Taylor, 1994)	Fagor Electrodomésticos Group Bankrupt in 2013 (Errasti et al., 2016, 2017; Bretos and Errasti, 2018; Basterretxea et al., 2019, 2022; Bretos et al., 2019)
Degeneration tendency AND regeneration (number of enterprises) $n = 3$		
Moderate constitutional degeneration tendency (worker owners = majority) AND goal/cultural regeneration	Strong constitutional degeneration tendency (worker owners = minority) AND goal/cultural regeneration	Goal/cultural degeneration tendency AND constitutional AND organizational regeneration
Coprecci cooperative / part of the then FAGOR group (Taylor, 1994)	Eroski group (Flecha and Ngai, 2014; Storey et al., 2014; Basterretxea and Storey, 2018)	Fagor Ederlan group (Bretos and Errasti, 2017, 2018; Bretos et al., 2018)
Retention (number of enterprises) $n = 1$ (Longitudinal information)		
ULMA group (Cheney, 1997, 2001; Flecha and Ngai, 2014; left MCC temporarily in 1992)		
Regeneration (number of enterprises) $n = 2$		
Constitutional AND goal/cultural regeneration	Organizational and goal/cultural regeneration	
Maier group (Flecha and Ngai, 2014)	EB cooperative (anonymized) (Narvaiza et al., 2017)	

experts into the councils, high work pressure and employee resistance against humanization of work and participative practices, especially in several subsidiaries. In contrast to its foreign subsidiaries, considered by itself, the parent cooperative of Fagor Electrodomésticos did not display any substantive constitutional or organizational degeneration. Cooperative members without any management functions, including both skilled and unskilled workers, technicians, and craftsmen, maintained a strong influence on strategic decisions in the general assembly, the governing council, and the social council (Errasti et al., 2017; Basterretxea et al., 2019). In sharp contrast to most conventional capitalist corporations, the majority of working members of Fagor Electrodomésticos were reallocated to other MCC cooperatives after the closure (Errasti et al., 2017; Arando and Bengoa, 2018).

Additionally, several studies report three—empirically interrelated—indicators of goal/cultural degeneration tendencies within some MCC cooperatives. The first one refers to the lack of willingness of managers and worker owners in parent cooperatives to transform their foreign subsidiaries into worker cooperatives, which contradicts basic cooperative principles like open admission to the cooperative, democratic organization, sovereignty of labor, and the subordinate character of capital (see Heras-Saizarbitoria, 2014). The increasing importance that (capitalist) market economy-related business objectives gain over basic cooperative principles (see Blawat, 2014) represents the second indicator. As Cheney (1997, 2001) has demonstrated for the MAPSA cooperative and Taylor (1994) for the LANA agricultural cooperative, the

rhetoric of business economics increasingly shaped discourses among managers and/or among non-managing employees. In the latter case, small farmer members who were strongly committed to the cooperative idea but could not afford to pay their share in collective investments, were urged to leave the cooperative. The MAPSA cooperative—a maker of aluminum wheels that was converted from a traditional capitalist firm to a cooperative in 1991 and 1992 suffered from the introduction of semi-autonomous group work that failed because neo-Tayloristic HRM tools like Total Quality Management (TQM) allowed the employees only low participation opportunities in decision-making (Cheney, 1997, 2001). In an extensive discourse-analytical investigation of business documents from 70 MCC cooperatives, Heras-Saizarbitoria and Basterretxea (2016) demonstrated that the prevailing topics represented conventional business management concepts. While costumer focus/TQM, business excellence, innovation capabilities, policy of internationalization, and strengths of integration into a corporate structure dominated in the majority of cases, only about a quarter of the cooperatives emphasized topics like cooperative values or corporate social responsibility. Thus, discourses in the majority of worker cooperatives seemed to be disconnected from the cooperative principles represented by the MCC. Furthermore, the discrepancy between proclaimed cooperative principles and the experience of those principles in the daily work life reflects a third indication of goal/cultural degeneration, as demonstrated by Heras-Saizarbitoria (2014) in his study of 27 worker-members from 11 MCC member cooperatives. The majority of those workers did not experience the core principles of democratic organization, participatory

TABLE 7 Frequencies of conditions, practices, and psychological phenomena of *all forms of degeneration tendency* mentioned ($n = 6$ cases of the Mondragon Cooperative Corporation).

Conditions, practices, and psychological phenomena	Frequency	Enterprise groups and publications
1. Organizational/external conditions:	13	
Market demands/pressure/competition/no stable consumer base/market	3	Eroski group (Basterretxea and Storey, 2018*); Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Errasti et al., 2016; Bretos and Errasti, 2018; Basterretxea et al., 2019, 2022; Bretos et al., 2019)
Forces of (semi-external) stakeholders (MCC bank)	2	Coprecci cooperative (Taylor, 1994)*; LANA (Taylor, 1994)
Size of the company (growth)/expansion	2	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*); Fagor Electrodomésticos group (Bretos and Errasti, 2018; Basterretxea et al., 2019; Bretos et al., 2019)
Financial crisis	2	Eroski group (Storey et al., 2014*; Basterretxea and Storey, 2018*); Fagor Electrodomésticos group (Errasti et al., 2016, 2017; Bretos et al., 2019)
Wrong business decisions	1	Fagor Electrodomésticos group (Errasti et al., 2017; Basterretxea et al., 2019, 2022)
Lack of unions/ambivalent union relations/union resistance against bad working conditions	2	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Errasti et al., 2016; Bretos et al., 2019)
Product quality problems	1	Fagor Electrodomésticos group (Basterretxea et al., 2022)
2. Non-democratic or non-participative practices:	24	
2.1 Exclusion and boundary management		
Missing Cooperativization of capitalist subsidiaries/economistically motivated exclusion of ownership/cooperative members	3	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Errasti et al., 2016; Bretos and Errasti, 2018; Bretos et al., 2019); LANA (Taylor, 1994)
Waiver of external expertise in democratic boards	1	Fagor Electrodomésticos group (Basterretxea et al., 2022)
2.2 Dysfunctional human resources management		
Dysfunctional recruitment, selection, and induction procedures	1	Fagor Electrodomésticos group (Basterretxea et al., 2019)
No/insufficient cooperative education and training	2	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Basterretxea et al., 2019; Bretos et al., 2019)
2.3 Deficient cooperative culture and climate		
Lack of a collectivistic culture and cooperative tradition in foreign subsidiaries	2	Fagor Ederlan group (Bretos and Errasti, 2018*); Fagor Electrodomésticos group (Bretos and Errasti, 2018)
Lack of trust between parent coops and foreign subsidiaries	2	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Errasti et al., 2016; Bretos and Errasti, 2018; Bretos et al., 2019)
No communication among the foreign subsidiaries	1	Fagor Electrodomésticos group (Errasti et al., 2016)
Intraorganizational conflicts	2	Fagor Ederlan group (Bretos and Errasti, 2017*); Fagor Electrodomésticos group (Errasti et al., 2017; Basterretxea et al., 2022)
Economistic managerial rhetoric	2	MAPSA (Cheney, 2001); LANA (Taylor, 1994)
Aggressive/offensive requirement for accountability and overt critique of managers	1	Fagor Electrodomésticos group (Basterretxea et al., 2019, 2022)
2.4 Neglect of participation		
Goals of employee ownership were not democratization but dividends and secure employment	2	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Errasti et al., 2016; Bretos et al., 2019)

(Continued)

TABLE 7 (Continued)

Conditions, practices, and psychological phenomena	Frequency	Enterprise groups and publications
Organization of work: low participation opportunities in decision-making/transfer of management-controlled, economistic HRM practices/Tayloristic division of labor	4	Fagor Ederlan group (Bretos and Errasti, 2018*; Bretos et al., 2018*; Bretos et al., 2019*); Fagor Electrodomésticos group (Bretos and Errasti, 2018; Basterretxea et al., 2019; Bretos et al., 2019); MAPSA (Cheney, 2001)
Laissez-faire leadership	1	Fagor Electrodomésticos group (Basterretxea et al., 2019)
3. Psychological phenomena:	15	
Lacking skills and knowledge for strategic decisions/slow decision-making in democratic panels	2	Fagor Electrodomésticos group (Errasti et al., 2017; Basterretxea et al., 2022)
Weak commitment to employee ownership/cooperative idea (employees in subsidiaries)	2	Fagor Ederlan group (Bretos et al., 2018*); Fagor Electrodomésticos group (Basterretxea et al., 2019)
Lack of employees' psychological ownership	1	Fagor Ederlan group (Bretos et al., 2019*)
Work pressure/stress	3	Fagor Ederlan group (Bretos et al., 2019*); Fagor Electrodomésticos group (Bretos et al., 2019)
High manager and council representatives turnover	1	Fagor Electrodomésticos group (Basterretxea et al., 2022)
Job/organizational dissatisfaction of worker members	2	Eroski group (Basterretxea and Storey, 2018*); Fagor Electrodomésticos group (Basterretxea et al., 2019)
Freeriding/shirking and absenteeism of worker members	2	Eroski group (Basterretxea and Storey, 2018*); Fagor Electrodomésticos group (Basterretxea et al., 2019)
Employees' resistance against humanization of work	1	Fagor Electrodomésticos group (Basterretxea et al., 2019; Bretos et al., 2019)
Wage solidarity against sacrifices for the community	1	Fagor Electrodomésticos group (Basterretxea et al., 2019, 2022)

Several studies described the same conditions, practices, and psychological phenomena for the same enterprise. These phenomena were counted only once for each enterprise. Therefore, the number of publications may exceed the number of counted conditions, practices, and psychological phenomena.
*Degenerative tendency and regeneration activity appear simultaneously in this case.

management, and cooperative education as well integrated in their everyday work (cf. Bretos and Errasti, 2017, 2018). However, the core principle of secure membership and employment was appreciated and applicable to interviewees, forming a starting point for goal/cultural regeneration (cf. the studies on the Eroski group by Flecha and Ngai, 2014; Basterretxea and Storey, 2018).

Degeneration tendency and regeneration

This review identified three cases of persistent interweaving of degenerative and regenerative processes (as conceptualized by Storey et al., 2014; Bretos et al., 2020), represented by the Eroski group, the Fagor Ederlan group, and the Copreci cooperative. The Eroski group (founded in 1969) represents the largest MCC enterprise with 30,903 employees in 2018 (Basterretxea et al., 2022). Eroski is a combined consumer and worker cooperative allowing consumer-members and worker-members equal representation in elected governing bodies, namely the general assembly and the Governing Council, elected by all cooperative members. Empirical evidence indicates that the Eroski group has undergone a process of *constitutional degeneration* after incorporation: among its employees the rate of working members (i.e., employee-owners participating equally in

ownership and democratic decision-making) fell from about 47% in 2005 to about 33% in 2014 (see, also in the following, Storey et al., 2014; Basterretxea and Storey, 2018). It follows, that two thirds of employees, among them the great majority of those working in hierarchically structured subsidiaries acquired by the Eroski parent cooperative, did not possess democratic decision-making rights at the time of investigation. In contrast, a two third majority of working members within the parent company Eroski S. Coop participated in governing the whole Eroski group. Thus, the biggest enterprise within MCC exhibits strong structural polarization between the parent cooperative and the majority of subsidiaries.

Nonetheless, empirical evidence indicates that several *goal/cultural regeneration* efforts occurred. Following the social expansion strategy adopted by the Mondragon congress in 2003, within the democratic entities in the Eroski group and, similarly, in the Fagor Electrodomésticos group, the Fagor Ederlan group, the Maier group (and, presumably, further MCC enterprise groups that have not been investigated), a debate on the regeneration of democratic principles and social objectives began. It caused the Eroski parent cooperative to transform several of their domestic subsidiaries into a variant of *mixed cooperatives* as an intermediate stage to later integrate them fully into the Eroski parent cooperative (Flecha and Ngai, 2014; Storey

et al., 2014). Further participative practices (see, also in the following, Flecha and Ngai, 2014; Storey et al., 2014; Basterretxea and Storey, 2018) were applied in other Eroski subsidiaries not earmarked for cooperativization (i.e., for a transformation into a mixed cooperative): Employees of Eroski stores were allowed to participate in short-term operational or some tactical decisions and in minor capital stakes of the parent cooperative. In 2011, 33.6% of the total employees of the Eroski group had such partial ownership stakes in subsidiaries. Moreover, management and democratic representatives participated in discourses within the Eroski groups and in the MCC self-reflection debate emphasizing the regeneration of democracy and cooperative values. Additionally, an expansion of cooperative education was initiated and employee representatives successfully prevented the modification of egalitarian principles (e.g., concerning profit sharing).

In contrast to Fagor Electrodomésticos, after symptoms of constitutional and goal degeneration had appeared in the course of internationalization caused by global market pressures toward high productivity and quality, the Fagor Ederlan group, an automotive supplier founded in 1963; about 3,600 workers at 16 plants in Spain, China, Brazil, and Slovakia in 2014 (Bretos et al., 2019), succeeded both economically and in the cooperativization of several subsidiaries, such that working members again constituted the majority of employees (65% in 2014, see Bretos and Errasti, 2017; 72% in 2021, see https://www.fagorederlan.com/en/about-us, retrieved April 21, 2022). Thus, the constitutional degeneration tendency was reduced significantly. For example, in the governing board of Ederlan's mixed cooperatives, working members from the subsidiary have a greater representation than the proportion that they would have been allocated on the basis of their part of ownership (the parent cooperative holds the majority of the equity capital) and important decisions require a two-thirds majority. Further, regeneration measures comprised cooperative education parallel to technical training, fostering equality through a policy of job security, reduction of wage gap, horizontal communication, and an employee suggestion system in agreement with the unions. Additionally, participation practices included efforts to humanize production work through job enlargement and enrichment and a reinforcement of participation through forming a delegate committee of the worker members of the governing board (Bretos and Errasti, 2017; Bretos et al., 2018).

Notwithstanding these practices, both Fagor groups showed a structural polarization between the Basque parent cooperatives and several domestic mixed cooperatives, on the one hand, and the foreign subsidiaries that enjoy no democratic and collective ownership rights, on the other hand. Several studies have demonstrated that participative practices and components of HRM were distributed unequally among the foreign subsidiaries of both Fagor groups (Errasti et al., 2016; Bretos and Errasti, 2018; Bretos et al., 2018, 2019). Lean production and TQM seem to be widespread in all subsidiaries, allowing many employees only limited participation opportunities in decision-making. Nonetheless, the studies mentioned above indicate that the subsidiaries differed strongly with regard to job security, professional and cooperative training, internal promotion, pay equity, willingness to cooperate between MCC management and foreign trade unions, and employees' stress at work. A lack of trust between parent coops and foreign subsidiaries is mirrored in the lack of a collectivistic culture and cooperative tradition and a weak initial commitment of workers in the majority of foreign subsidiaries. These findings are mirrored by Errasti's (2015) investigation of 11 Mondragon subsidiaries in the Kunshan Industrial Park in China, However, Errasti (2015) conceded that a more participative and considerate leadership style prevailed there, compared to the authoritarian style normally found in capitalistic Chinese subsidiaries. The inclusion of trade union representatives on the subsidiary's board of directors of the Polish subsidiary Fagor Mastercook (then belonging to the Electrodomésticos group) was a further positive exception (Errasti et al., 2016; Bretos et al., 2019). In contrast to the Catholic social doctrine and humanism of the founders, several studies indicate that not only the subsidiaries but also production plants belonging to the MCC parent cooperatives were affected by semi-Tayloristic principles of work organization, modulated by management-controlled participative practices stemming from lean production and TQM (Cheney, 2001; Basterretxea et al., 2019; Bretos et al., 2019, 2020). This corresponds with findings of an interview study by Heras-Saizarbitoria (2014), in which the majority of 27 worker-owners in 11 MCC cooperatives perceived few possibilities to participate in everyday decision-making (however, the sample was small and not representative for those large enterprises).

In contrast, influenced by the approach of sociotechnical work design, some MCC cooperatives like Fagor Edelan and Copreci have adopted semi-autonomous group work and similar interventions oriented toward the humanization of work (see Taylor, 1994; Cheney, 2001; Bretos and Errasti, 2017; Bretos et al., 2019). Taylor's (1994) study describes the development of competing rhetorical strategies between economic and social goals in the Coprecci cooperative which nurtured a social discourse emphasizing democracy, social transformation, and community development as constituents of goal and cultural regeneration. A more participative reorganization of social councils and the constitution of permanent and *ad hoc* committees and study teams represent further practices to reinforce employees' participation in organizational decision-making and, thus, support constitutional and organizational regeneration of the Coprecci cooperative.

Retention

The ULMA group (a supplier and service provider for various industries) demonstrated goal/cultural and constitutional retention through practices (see Table 8) like

cell-division as a consequence of identification with the local community: Because of its strong commitment to the Mondragon founding values, the ULMA group consisting of five worker cooperatives encompassing 1,200 employee-owners at the time had left MCC in 1992 after debating threats that the internationalization strategy posed to democratic functioning and community development (Cheney, 1997, 2001). The members of the ULMA group decided to retain their regional grouping instead of adopting the new sectoral reorganization of MCC. This indicates their considerable orientation to promote community-based goals in the region and their strong commitment to the cooperative idea. Eventually, the group re-united with the industrial division of MCC and is represented by one member in the governing council of MCC in 2020 (see https://www.mondragon-corporation.com/urtekotxostena/organos.php?l=en, retrieved April 19, 2022). About 20 years later, 93% of its employees were still cooperative members (Blawat, 2014). This is also due to the fact that the parent cooperative's worker owners are motivated to retain the cooperative identity also in the acquired subsidiaries through practices like cooperativization, reinforcing participation through self-managed group work and intensive sharing of knowledge and information (Flecha and Ngai, 2014).

Regeneration

Finally, two cases demonstrate strong tendencies of *goal/cultural regeneration*. The Maier group, a manufacturer of plastic parts and complex injection moldings for the automotive industry (meanwhile encompassing about 3,200 employees, see https://www.maier.es/), started extensive activities of constitutional regeneration through transforming a big subsidiary into a mixed cooperative (Flecha and Ngai, 2014). Further participative practices have been applied to counter degeneration tendencies in the parent cooperative and subsidiaries (see Table 8). These include widespread education in cooperative values and technical-organizational training, measures to increase transparency and knowledge-sharing across all organizational levels, and to reduce wage gaps to foster income equality. Further, principles of sociotechnical work design like job rotation, job enrichment, and semi-autonomous group work as well as employee suggestions systems were introduced at some subsidiaries to transform the Tayloristic work organization. The EB cooperative (anonymized), a manufacturer of copper wires with 170 employees (90% of them are employee-owners) engaged external consultants, psychologists and senior managers with expertise in cooperativism to strengthen the cooperative spirit of newcomers (Narvaiza et al., 2017). These practices helped to recover the cooperative spirit among the members of the cooperative.

Whereas, one of two further studies indicated goal/cultural retention concerning basic values like autonomy,

empowerment, egalitarianism, and fairness (Hoffman and Shipper, 2018), the other study showed more ambivalent findings regarding tensions between retention and degeneration of values (Blawat, 2014). However, because both do not refer to specific MCC cooperative groups or cooperatives, but to the overall MCC network, and because the samples of interviewed employees are extremely small, these studies were not included in the table of results.

Discussion

Summary of main findings

Summing up the results of research questions 1–3, the present systematic review provides compelling evidence that the majority of investigated democratically structured enterprises operate at least sufficiently economically successful in capitalist market environments, thereby resisting Webb and Webb's (1914) deterministic degeneration thesis and defying the so-called "iron law of oligarchy" (Michels, 1915).

The most frequently reported *organizational/external condition* for the *retention* of organizational democracy was small size of the enterprise. The most widely mentioned *democratic or participative practices* and *psychological phenomena* that foster retention were similar to those of *regeneration* or *retention* as previously identified by several other scholars (e.g., Rothschild-Whitt, 1976; Cornforth, 1995; Bretos et al., 2020). *Participative practices* included activities of boundary management (Ulich, 2011) like linking with broader social movements to promote community-based goals, measures of HRM based on cooperative values like personnel selection, common recruitment and induction procedures as well as cooperative education and training and supporting the further socialization process, knowledge/information/experience sharing and job rotation/job enlargement/job enrichment. Our systematic review revealed measures to support cooperative culture and climate like open criticism and discussion, permanent requirement for accountability and overt critique of managers, social discourses emphasizing democracy, social transformation, and community development and, finally, practices to support employee participation also in operational and tactical decisions in the daily work through a democratic organization of labor as frequently used participative practices. The *psychological phenomena* reported in the analyzed studies encompassed strong commitment to the cooperative idea and to the enterprise/loyalty/framing as "family" and psychological ownership. However, we found some additional practices that seem to foster the retention or regeneration of democratic enterprises that were not reported in earlier conceptual reviews: Fostering equality and the effort of enterprises to stay small and resist growth. The psychological phenomena of employees' mutual perspective taking and caring as well as making

TABLE 8 Frequencies of conditions, practices, and psychological phenomena of *all forms of retention or regeneration* mentioned (*n* = 6 cases) of the Mondragon Cooperative Corporation.

Conditions, practices, and psychological phenomena	Frequency	Enterprise groups and publications
1. Organizational/external conditions:	**1**	
Support through the union	1	Fagor Ederlan group (Bretos et al., 2018*)
2. Democratic or participative practices:	**24**	
2.1 Integration and delimitation (boundary management)		
Linking with broader social movements to promote community-based goals/intercooperative solidarity	1	Grupo ULMA (Cheney, 1997, 2001)
Cooperativization of (capitalist) subsidiaries/remutualization	3	Eroski group (Flecha and Ngai, 2014; Storey et al., 2014*); Fagor Ederlan group (Bretos and Errasti, 2017*); Maier group (Flecha and Ngai, 2014)
Effort to stay small/resist to grow/cell division	1	Grupo ULMA (Cheney, 1997, 2001)
Support through external expertise	1	EB cooperative (Narvaiza et al., 2017)
2.2 Value-based human resources management		
Value-based personnel selection of the CEO	1	EB cooperative (Narvaiza et al., 2017)
Cooperative education and training	3	Eroski group (Flecha and Ngai, 2014); Fagor Ederlan group (Bretos and Errasti, 2017*; Bretos et al., 2019*); Maier group (Flecha and Ngai, 2014)
Knowledge/information/experience sharing	2	Maier group (Flecha and Ngai, 2014); ULMA group (Flecha and Ngai, 2014)
Job rotation/job enlargement/job enrichment	1	Fagor Ederlan group (Bretos and Errasti, 2017*)
2.3 Support of cooperative culture and climate		
Open criticism and discussion, permanent requirement for accountability and overt critique of managers	1	Eroski group (Storey et al., 2014*)
Social discourses emphasizing democracy, social transformation, and community development	3	Coprecci cooperative (Taylor, 1994)*; Eroski group (Storey et al., 2014*); Grupo ULMA (Cheney, 1997, 2001, 2004)
Fostering equality	2	Eroski group (Basterretxea and Storey, 2018*); Fagor Ederlan group (Bretos et al., 2018*)
2.4 Support of participation		
Organization of labor: reinforcement of broad-based participation	5	Coprecci cooperative (Taylor, 1994)*; Eroski group (Storey et al., 2014*); Fagor Ederlan group (Bretos and Errasti, 2017*); Maier group (Flecha and Ngai, 2014); ULMA group (Flecha and Ngai, 2014)
3. Psychological phenomena:	**5**	
Strong commitment to cooperative idea and to the enterprise/loyalty/"family"/strong willingness to participate	4	EB cooperative (Narvaiza et al., 2017); Eroski group (Basterretxea and Storey, 2018*); Grupo ULMA (Cheney, 1997, 2001, 2004; Flecha and Ngai, 2014)
Sacrifices for the organizational community	1	Eroski group (Basterretxea and Storey, 2018*)

Several studies described the same conditions, practices, and psychological phenomena for the same enterprise. These phenomena were counted only once for each enterprise. Therefore, the number of publications may exceed the number of counted conditions, practices, and psychological phenomena.
*Degenerative tendency and regeneration activity appear simultaneously in this case.

sacrifices for the community, and, social inclusion orientation and employees' entrepreneurial motives were also not discussed in earlier reviews.

Overall, the number of enterprises that *fully degenerated* or that showed *forms of degeneration tendencies* was smaller than the number of enterprises categorized as retention or regeneration (36.5 vs. 63.5%). However, the studies included in the systematic review considered *organizational/external conditions* far more relevant for enterprises that have

degenerated fully or tendentially than for enterprises categorized as retention or regeneration. The most common conditions reported were market demands, pressure, or strong competition, the (large) size of company and expansion, and the passivity of unions in ownership matters. We found several *non-democratic or non-participative practices* and *psychological phenomena* that had been identified in earlier conceptual reviews as counterproductive to retention, such as excluding new employees from ownership, lack of cooperative education

and training, semi-/Tayloristic organization of labor and low participation opportunities in decision-making, and a weak initial commitment to employee ownership. Furthermore, we also detected new practices, which had not been previously mentioned. Two of them represent a deficient cooperative culture or climate, namely fostering inequality, and failing to shape a culture of involvement and deliberation or unfamiliarity with the employee ownership concept and, the third one means that goals of employee ownership were not democratizing, but to gain dividends and secure employment.

The findings concerning MCC (RQ 4) indicate that vast organizational size and integration of an enterprise into the global capitalist market economy do *not automatically determine* organizational democracy to fail. However, permanent tensions between market-induced pressures to adopt principles of capitalistic accounting and values of cooperativism and economic democracy exist. Those tensions can culminate in processes of organizational change that represent simultaneous or successive degenerative and regenerative tendencies (cf. Cheney et al., 2014; Storey et al., 2014; Bretos et al., 2020). The results of this systematic review suggest, that, in the long term and depending on their specific resources, participative practices, and strategic decisions, big democratic enterprises are able to maintain or regenerate democratic and cooperative principles of decision making on a broad scale. Alternatively, they may be able to restore democratic structures only on a smaller scale compared to their earlier life-cycle phases or regenerate by partitioning into separate divisions or enterprises (as in the case of ULMA, see Cheney, 1997, 2001). In less resilient cases, they either fully degenerate and give up democratic principles and collective ownership or stay democratic but fail economically. All those different cases are represented in MCC. Participative practices in MCC subsidiaries are mostly restricted to voice and problem solving with regard to operational—but not tactical or strategic—planning and decision-making. Such conditional participative practices are dominated and channeled by economistic management concepts like semi-Tayloristic lean production and TQM. These were introduced to adapt workers' behaviors to customer demands on the global markets for home appliances, industrial facilities, or commercial vehicles. Depending on circumstances, such restricted participation may support employees in developing basic social competences and organizing skills that are expedient for projects of democratic regeneration. However, they cannot replace cooperativization or, at least, projects of "democratic Taylorism", which include strategic co-determination by representatives of the workers (see Adler, 1995).

Included studies on the John Lewis Partnership (JLP) in the UK corroborate our rejection of the deterministic degeneration hypothesis. In contrast to the MCC network, JLP represents a single retail enterprise group. Nearly all of the 86,700 employees have the right to participate in strategic decision-making *via* their elected representatives in the

JLP council (encompassing representatives of all department stores) and the JLP management board, and in collective ownership *via* a trust controlled by democratic representatives (Hoffman and Shipper, 2018). While both main boards of representative democracy on the level of the enterprise group continued to exist since several decades, the study by Cathcart (2013, 2014) indicated a moderate organizational degeneration tendency because democratic branch councils were replaced with merely consultative branch forums; the same happened in 29 from 37 department stores. However, parallel to this limitation of democracy, an ongoing debate on the importance of democratic, social and economic goals evolved, whereby economistic management positions did not gain dominance over the cooperative values of the JLP constitution. Further, several democratic renewal initiatives have been developed indicating a case of goal/cultural retention at the time of the study (see also Storey et al., 2014; Storey and Salaman, 2017; Hoffman and Shipper, 2018). Thus, neither overly optimistic assessments (e.g., Forcadell, 2005) nor totally pessimistic views (like Kasmir, 2016) draw a realistic picture of the democratic situation in the MCC or the JLP.

Theoretical and practical implications

Theoretically, we see the most important implication of this systematic review in the further development of proposed life-cycle models of cooperatives (Batstone, 1983; Meister, 1984; Bretos et al., 2020) based on empirical evidence. The extended model is substantiated with the above summarized concrete organizational/external conditions, democratic/participative practices and psychological phenomena, which are associated with different stages of a democratic enterprise' life-cycle. Figure 2 provides an overview of this revised model. The lower part of the model reflects Bretos et al.'s (2020) five stages of cooperative life-cycles, which, until now, has been the most comprehensive and best developed model. Stages 1 (conquest) to 4 (administrative power) mirror Meister's (1984) life-cycle model of degeneration. Stage 5 allows for processes of regeneration, but also includes pathways of institutional isomorphism (capitalistic solidification) or dissolution and exit from the industry. After regeneration, a new life-cycle may start, however, after institutional isomorphism and dissolution and exit the industry, the life cycle of a cooperative will end (Bretos et al., 2020). In our systematic review we identified enterprises in all of the proposed stages of Bretos et al.'s (2020) model. However, we designated Stage 1 as *retention* instead of conquest, Stage 2 as *moderate goal/cultural degeneration tendency* instead of economic consolidation, Stage 3 as *organizational and constitutional degeneration tendency* instead of coexistence, Stage 4 as *full degeneration* instead of administrative power,

FIGURE 2
Stages of the democratic enterprises' life cycle (extension of Bretos et al., 2020's life cycle model).
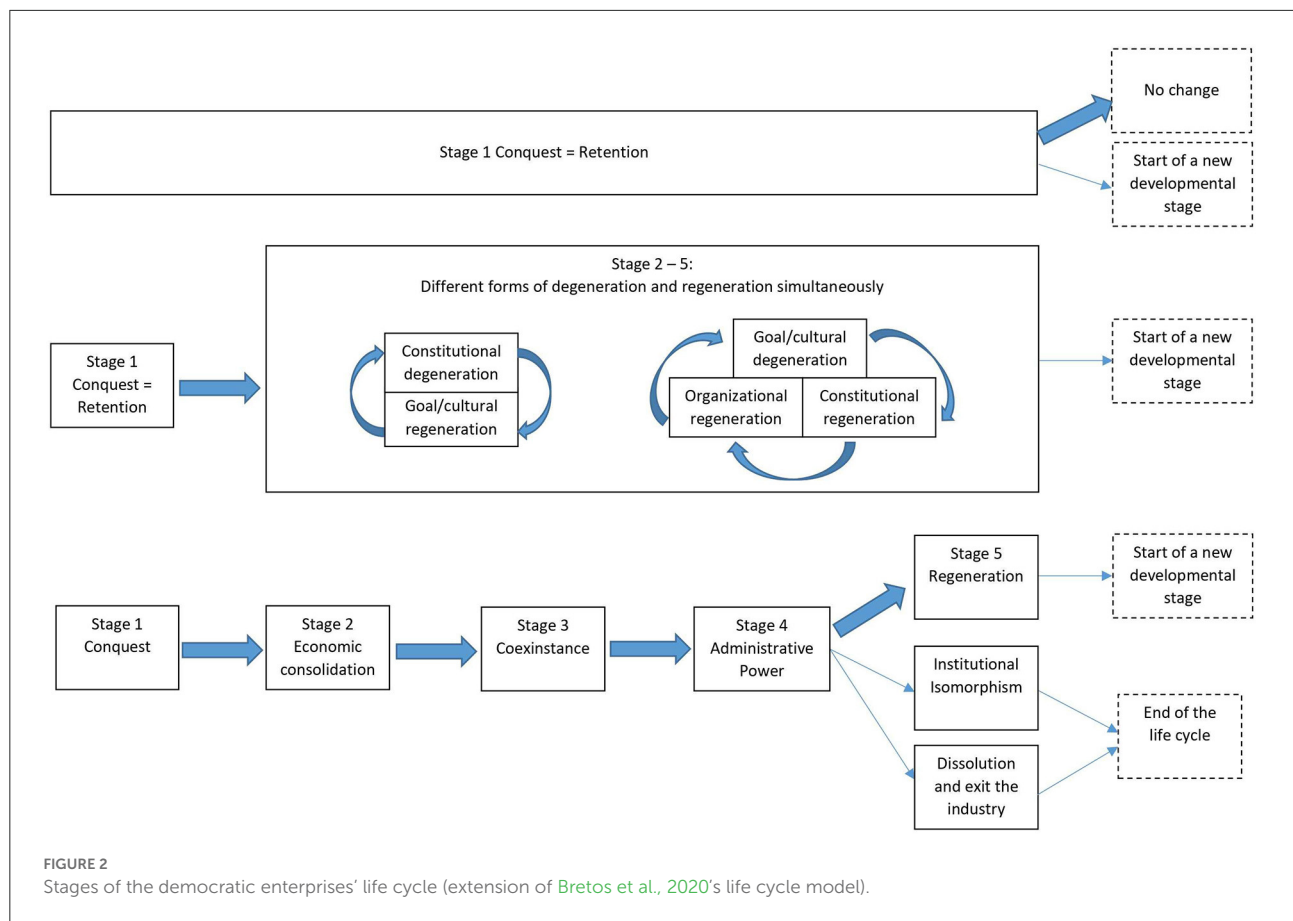
and, finally, Stage 5 was maintained as a possible phase of *regeneration*.

Additionally, and neither included in the initial model (Meister, 1984) nor in the revised life-cycle models (Batstone, 1983; Bretos et al., 2020), we found that the majority of investigated democratic enterprises resisted degeneration and degeneration tendencies. The majority of enterprises (half of them small-, half of them medium-sized) categorized as *retention* (upper part of Figure 2), remained in Stage 1 for long periods of time (about two thirds of them at least 20 years) and did not underwent democratic changes. Such processes were also proposed by Rothschild-Whitt (1976), however they were never included in a cooperative's life-cycle model. The Cheese Board Collective in Berkeley, USA (Gupta, 2014) is a concrete example for such a retention process. This small grass-roots worker-cooperative maintains direct democracy through frequent general assemblies, a comprehensive job rotation scheme, and founding spin-offs (instead of organizational growth) without creating representative democratic boards or hiring non-participating or non-owning employees. Finally, it may also happen that some enterprises, which remained in Stage 1 for a long period of time, will may experience unfavorable conditions in future. As a consequence, they will

drive the adoption of non-democratic practices or psychological phenomena that force them into a new developmental stage in the sense of Bretos et al.'s (2020) life-cycle model.

In the middle part of Figure 2, we depict two further possible configurations for which we found evidence. In MCC, two large cooperatives showed forms of constitutional degeneration tendency and goal/cultural regeneration simultaneously. Furthermore, one cooperative was facing a goal/cultural degeneration tendency while simultaneously undergoing constitutional and organizational regeneration. Theoretically, other combinations of different forms of re- and degeneration may occur at the same time. Such simultaneous processes may result under specific conditions at the outset of a new developmental stage. Empirically, these simultaneous configurations are not fully in line with the linear structure of Bretos et al.'s (2020) stage model (especially the path from Stage 2–5). We suggest that there are several pathways for democratic enterprises to develop simultaneously and in different causal sequences.

Practical implications can be derived from the identified practices that foster the retention of democratic enterprises, providing helpful guidelines for their continued existence.

Furthermore, described retention and regeneration practices may be fruitful measures for democratizing hierarchically structured enterprises. Findings of this review study suggest that the larger a democratic enterprise grows the more necessary it will become to integrate the big majority (or all) of the employees directly into practices of decision-making. Otherwise, democratic structures run the risk of becoming eroded, that is, there will be a threat of degeneration processes. This does not mean that large democratic corporations must necessarily be split up (although in some cases this would be better for the inter-/national economy). Rather, several of the reviewed case studies indicate that structures of representative democracy can be combined with practices of direct democratic decision-making on the level of the department or the work group and, particular participatory practices even on the level of the organization. For example, as the findings about MCC (see Section Research question 4: The Mondragon Cooperative Cooperation Network and its forms of transformation as well as relating conditions, practices, and psychological phenomena) converge with studies on more conventional enterprises, semi-autonomous work groups can be established in industrial areas characterized by small or medium series production or, in form of self-managed teamwork, in specific domains of service or administrative work (see a review by Ulich, 2011; Lee and Edmondson, 2017). Here the members of the working groups in a respective company are participating directly in collective tactical or operational decisions associated with planning, coordinating, and controlling the carrying out of the necessary, interrelated subtasks that serve the production of jointly produced products or services. Direct democratic group work lets employees experience a sense of control and mastery and counteracts the risk of feeling alienated from large enterprises practicing representative democracy in which only the elected organization members can directly play a decisive part (Bartoelke et al., 1982).

In cases where democratization of certain work activities does not seem feasible, some of the case studies reviewed demonstrate other ways in which a considerable number of employees can be directly involved. In democratic enterprises like Cooperative Home Care Associates (Berry and Schneider, 2011), JEBA Manufacturing and Supply Inc. (Boguslaw and Taghvai-Soroui, 2018), in several John Lewis department stores (Nicholson et al., 2020), or in the MCC cooperative Coprecci (Taylor, 1994) several organization members were delegated to working groups, committees or project groups in which certain strategic or tactical decisions were prepared for general meetings of those enterprises. These include economic, technical (including product or process quality), and personnel-related (including occupational health and safety) issues or decisions on caregiving or support of the local communities.

Provided that these delegates are exchanged after longer periods of function and, thus, numerous employees gradually will carry out responsible planning tasks or problem-solving tasks together, this democratic practice also represents an important method of counteracting degenerative tendencies.

Only a few of the reviewed studies included or suggested any method or intervention to prevent organizational or goal degeneration. Mainly, these referred to larger enterprises that were governed based on representative democracy. In such cases, frequent direct communication on substantial decisions (including different options) between employees eligible to vote and their representatives, is recommendable. Based on their contextual knowledge, the voters can then point out problems or alternatives concerning current planning of the representative body. In medium-sized companies, this participative communication may be realized spontaneously as needed if this doesn't disturb production flows (see Greenberg, 1984; Atzeni and Ghigliani, 2007). In large enterprises, recurring meetings between representatives and their organizational units should be institutionalized, e.g., monthly or every 2 months.

Notwithstanding this, it is surprising that in hardly any of the reviewed cases established participatory intervention methods from organizational development were used. After all, these participatory methods, following the work of Kurt Lewin and his successors, as well as the sociotechnical systems approach, are at the starting point of a democracy-oriented research and design of democratic work systems (see Trist and Murray, 1993). Democratic Dialogue conference (Gustavsen, 1992), Search Conference (Emery and Purser, 1996), Future Search (Weisbord and Janoff, 2000), Twenty-first Century Town Meeting (Lukensmeyer and Brigham, 2002), or Constructive Controversy (Johnson et al., 2006) are all prominent examples. These conferences, workshops, or encounters enable employees to directly participate democratically in planning or design processes in addition to electing their representatives. These approaches offer a wide range of possibilities involving a large number of organization members in annual—or more frequent—retreats (all together or specific groups at different times) in joint planning of the further development of the company or specific departments. Various methods are used for participative preparation of product and process innovation, others for resolving factual conflicts in development processes. Furthermore, these large-group methods, comprising exchanges between parallel work in small groups and integration of the proposals in plenums, also aim to promote democratic, social, communicative, or cognitive-moral learning processes among the participants. We encourage future studies to investigate how these intervention methods reinforcing broad-based participation in democratic enterprises will interact with further participative practices in terms of value-based HRM and support of cooperative culture and climate, like those that our review has identified. Against the background of our findings, it can be assumed that such participatory interventions together with participative practices in everyday work may facilitate participants' commitment to the cooperative idea and

to their enterprise, their collective psychological ownership, their prosocial behavior, and their readiness to make sacrifices for their company.

Thus, the findings of this review study may contribute knowledge to the multifarious governmental programs, interventions and political activities aiming all over the world at a democratic and ecological transformation of the economy in the global context that, for example, Ferreras et al. (2022) have proposed. Thus, extracted results are of high practical applicability.

Limitations and future research

A first major limitation concerns the available data for the described enterprises. The analytical depth and level of detail of included qualitative studies varied considerably. Some studies describe in great detail the structures, bodies, principles and typical practices of organizational democracy with regard to the three forms of transformation. In other studies, democratic structures and participatory practices were outlined only sparsely and vaguely. Surprisingly, the included studies only rarely provided a detailed and comprehensive analysis of (a) what percentage of those working in a given democratic enterprise participated, (b) how frequently, (c) in which specific strategic or tactical decisions, (d) directly or *via* elected representatives, (e) through what panels or practices, (f) or how the employees participated in the equity capital of their company. Frequently, some of this information was missing. The inclusion of larger parts of staff members from different departments and hierarchical levels through standardized survey questionnaires (see, e.g., IDE International Research Group, 1981; Heller et al., 1988; Weber and Unterrainer, 2012) would have allowed to assess the constitutional and organizational degenerative or regenerative tendencies with higher internal validity than this was typically done in the studies reviewed here. In future research, such standardized questionnaires assessing the above aspects should be integrated into mixed methods designs wherever possible.

A second limitation refers to the theoretical foundation of the identified psychological phenomena. Focusing on organizational change and sustainability, organizational psychology has suspiciously neglected research on organizational democracy, which was also demonstrated in our meta-analysis (Weber et al., 2020). Therefore, it is not surprising that, although the majority of included studies pursue psychologically relevant questions, discovered phenomena are often only superficially (if not at all) related to established theories, constructs, or models of work, organizational, or social psychology. This shortcoming should be addressed in future studies using the findings of this systematic review to collaborate across disciplines in both theory and hypothesis development and in planning mixed-methods research designs. If the—politically induced—artificial disciplinary divisions

were abandoned in favor of a scientific cross-fertilization of perspectives, this would offer opportunities to better understand the interactions among psychological, organizational, economic, and social characteristics and processes. This would contribute to shaping the frequently invoked social and ecological transformation locally as well as globally.

Furthermore, eight enterprises that were categorized as retention provided only cross-sectional information. This means that at the time of investigation all indicators pointed to a retention. Since information was missing on the enterprise' development from its founding until the time of study, it is possible that these enterprises earlier went through a cycle of degeneration and were at the time of investigation already fully regenerated. However, since the democratic practices and psychological phenomena of retention and regeneration processes turned out to be very similar, this limitation seems to be less of a concern.

Another limitation refers to the respective samples of interviewees. Although in several cases, some theoretical sampling procedures were applied, especially studies on big enterprise groups like the MCC network or John Lewis Partnership cannot claim representativeness.

Included research designs are only limitedly comparable. Qualitative methodology is much more diverse and less standardized than quantitative questionnaire surveys. Specifically, the latter facilitate systematic reviews on highly aggregated characteristics. However, this means that possible external and internal organizational influencing factors and complex interaction processes, which are due to the specific context of concrete cases, are overlooked.

A final limitation applies only to MCC. The nine cases that met the inclusion criteria were representing only a part of the MCC enterprises. In this sub-sample, big cooperative groups were overrepresented compared to small or medium-sized MCC cooperatives.

Conclusion

The present article reviews qualitative research on democratically structured enterprises, published between 1970 and 2020, with respect to their potential for retention, degeneration, and regeneration. We were able to provide strong evidence that the pessimistic view regarding the short-lived survival of democratic enterprise in a capitalistic market environment—the degeneration thesis by Webb and Webb (1914) and further scholars—is completely overblown. Out of 83 investigated enterprises 50 showed no signs of degeneration or even degeneration tendencies, and most of the enterprises that showed degeneration tendencies were still far away from full degeneration [e.g., Equal Exchange (USA), Cooperative Home Care Associates (USA), One World Natural Grocery (USA), or Opel Hoppmann (Germany)]. The present study therefore raises the hope that

democratically structured enterprises in the sense of "real utopias" (Wright, 2010) have the potential of contributing to a socio-ecological transformation especially by connecting and networking with broader social movements to promote a more socially and ecologically just and sustainable economy and humanist society.

Data availability statement

The original contributions presented in the study are included in the article/Supplementary material, further inquiries can be directed to the corresponding author.

Author contributions

All authors listed have made a substantial, direct, and intellectual contribution to the work, and approved it for publication.

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Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Publisher's note

Supplementary material

The Supplementary Material for this article can be found online at: https://www.frontiersin.org/articles/10.3389/fpsyg.2022.947559/full#supplementary-material

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Employee Perceptions About Participation in Decision-Making in the COVID Era and Its Impact on the Psychological Outcomes: A Case Study of a Cooperative in MONDRAGON (Basque Country, Spain)

Aitziber Arregi*[†], Monica Gago[†] and Maite Legarra[†]

Faculty of Business Studies, Mondragon University, Gipuzkoa, Spain

This research aims to study possible effects or impacts of COVID-19 in the context of a democratic organizational system analyzing how COVID-19 has influenced employees' perception of their participation in decision-making and its impact on some psychological outcomes and emotions. COVID-19 has accelerated the process of implementation of new frameworks at work (digitalization, teleworking, new skills, and abilities) that have generated the modification of culture and employee management practices. Our hypothesis are, on the one hand, that COVID-19 has generated changes in participation structures and internal communication mechanisms, having to make modifications not to deteriorate the perception of employees about their participation in decision making. On the other hand, COVID-19 has generated changes in the psychological outcomes and emotions of the employees. In the study, we analyze a cooperative belonging to the MONDRAGON cooperative group, where participation in decision-making and ownership is in its DNA. Through qualitative (5 focus groups) and quantitative (short questionnaire) methodologies, involving 42 employees, we investigate firstly, how COVID-19 has affected perceptions about participation in decision-making analyzing what role has played internal communication in these perceptions. Secondly, we investigate how COVID-19 has affected psychological outcomes and emotions. In this case, the perceptions arising from participation in decision-making focus on the assessment that participators make of the governance channels and the day-to-day meetings. Therefore, their appropriateness seems to be a key factor in the perception of participation in the COVID-19 era. Differences have been detected between the perceptions of blue and white collar employees. Such differences have also been

founded in the psychological outcomes and emotions. Although this is a single case study, the analysis carried out provides elements of reflection to modify and restructure the decision-making and participation mechanisms, adapting them to the needs of blue and white collar employees in order to "guarantee" the expected outcomes.

INTRODUCTION

COVID-19 has provoked a new economic crisis that has forced many organizations to close, but it has also accelerated the implantation of new approaches to work and new human resource management practices, such as digitalization and remote working, thus reinforcing the need to acquire new knowledge and skills in one's job in order to meet the new strategic goals of the business (Carnevale and Hatak, 2020; DeFilippis et al., 2020; Xifra, 2020; Yawson, 2020). In addition, there is a new discourse regarding the need to modify the work culture of organizations (Spicer, 2020) which moreover may lead to reassess employees' participation in organizations (Child, 2021). In this new paradigm, the mechanisms of participation and the structures of decision-making seem to be rethought and adapted to the new reality. Structures of governance and communication and information policies that facilitate participation may be questioned and redefined, and this may affect the way the principle of democratic organization is exercised within cooperatives. Moreover, COVID-19 has an effect to the emotions and psychological outcomes, not only as citizens, but also as employees (e.g., Tang et al., 2020).

In this regard, a case study has been carried out of the cooperative ULMA Architectural Solutions (UAS) belonging to MONDRAGON, in which the influence of COVID-19 on employee's perception of their participation in decision-making (PDM) and internal communication (IC) has been analyzed. In addition, employees were asked about their perceptions regarding psychological outcomes affected, and the emotions experienced during the COVID-19 pandemic. Some years before, Arregi et al. (2018) carried out a quantitative study in the same organization, UAS, in order to examine perceptions of organizational atmosphere and joint ownership, and they reinforced the fundamental roles of information-sharing and participation in enterprises with shared ownership.

This article allows us to examine, from different angles, the impact of COVID-19 on an organization where participation is a central element due to its nature as a cooperative. As far as we know, this is one of the few studies, or even the first one, in which democratic processes and IC practices in a MONDRAGON cooperative have been examined at the level of employee-owners in the COVID-19 era.

Additionally, it permits an analysis of the point of view of both white and blue collar employees, a perspective that is unusual in the scientific literature, but of great interest given that the two groups differ considerably in terms of their perceptions of the workplace (Hu et al., 2010). The study carried out by Arregi et al. (2018) found key distinctions between blue collar (BC) and white collar (WC) workers' experiences and perceptions in UAS.

Our first research aim will be the analysis of the employees' perceptions about PDM. At organizational level, employee participation has a special relevance as a lever of business innovation. In today's global economy, organizations are realizing that people are at their neurological core (Noe et al., 2017). The approach related to the participative organizational model stands on the idea of placing the person at the center of the organization. In this regard, a new form of internal governance and employee participation may prove to be decisive. Wegge et al. (2010), based on Weber et al. (2009), suggest that Organizational Democracy (OD) is the most radical form of employee participation. This concept includes direct or representative joint consultation, co-determination and self-determination in organizations (Heller et al., 1998) and employees often hold a share in their organization's equity capital. We add to the OD literature by gathering contributions from Strategic Human Resources Management (HRM) theory, which endorses High Performance Working Systems (HPWS) which in turn, encompass employee PDM, among other aspects.

Within participative models, cooperatives are by nature the organizations with the greatest potential to integrate involved, active and participative people into their projects, as participation is a basic principle of their business formula (Altuna Gabilondo, 2008). Cooperatives differ substantially from the conventional companies in their basis purpose, property rights and decision making processes and "they are in tune with a more participatory and democratic society" (Forcadell, 2005, p. 255). Indeed, in the cooperatives within MONDRAGON, participation (according to the principles of democratic organization and PDM) is the spine of the group's cooperative experience (Altuna Gabilondo, 2008). The philosophy of cooperativism, particularly as manifest in worker cooperatives, gathers economic and democratic rights and the ownership has economic and socio-political senses (Cheney, 2006). MONDRAGON is one of the most studied success stories in the scientific literature (Whyte, 1995; Forcadell, 2005; Basterretxea and Albizu, 2011; Freundlich et al., 2013; Heras-Saizarbitoria, 2014; Gallego-Bono and Chavez-Avila, 2016; Azkarraga and Cheney, 2019). However, PDM in the cooperatives in general, and also in MONDRAGON, has presented some "dilemmas and paradoxes" focused on the degeneration and regeneration of the cooperatives that scientific literature gathers (e.g., Greenwood and González, 1991; Stohl and Cheney, 2001; Cheney, 2006; Azkarraga et al., 2012; Agirre et al., 2014; Errasti et al., 2016, 2017; Bretos et al., 2017, 2020).

MONDRAGON is a well-known example of an organization in which employees of the cooperatives are also "joint owners" (Forcadell, 2005) of the organization, that is, organizational democracy is conceived as "each member has one vote regardless of their capital contribution." In cooperatives, there

exist governance channels through which democratic principles are put into practice, where communication takes place and participation is made possible; namely, the General Assembly, the Governing Council, the Audit Committee, the Social Council and the Management Council.

In MONDRAGON, IC and PDM cannot be separated from each other in this case study. According to the social and business policy of MONDRAGON for the period 2009–2012, IC was related with participation, involvement, cohesion and motivation of employees, thus conceiving IC as much more than simple channels and tools (Belategi et al., 2019). Moreover, the MONDRAGON Corporate Management Model in 2013 emphasized three aspects of promoting democratic governance and participation: self-management, communication and corporate development (Bretos et al., 2020). The research is based on the idea that IC is an essential foundation for PDM to function. While IC can be practiced without democratic decision-making (such as, for example, in hierarchical companies), mechanisms of IC need to be functioning in order for PDM be exercised.

As a result of the pandemic some organizations had to find new ways of communicating and organizing due to the social distancing, digitalization or remote working. The challenges in this field seem to be changing and this topic is relevant as the health crisis forces organizations to adapt work processes and it has an enormous impact on the individual as an employee (Li et al., 2021). In this situation, democratic governance channels and methods together with IC and information policies may be reassessed.

In this new paradigm where the COVID-19 has affected psychological outcomes, as numerous recent studies have addressed (i.e., Adhitama and Riyanto, 2020; Carnevale and Hatak, 2020; Bulińska-Stangrecka and Bagieńska, 2021), our second research aim is to analyze the impact of the COVID-19 in psychological outcomes and emotions, although we recognize that the empirical study does not allow to measure the impact of PDM on psychological outcomes arising from COVID-19. However, this research allows to theorize about the relations among all the factors analyzed in the study.

Within all this context, the present research aims to illuminate how COVID-19 has influenced: (1) employees' perceptions of their PDM through formal governance channels and IC mechanisms; and (2) psychological outcomes and the emotions experienced by employees; with special attention given to whether there is a divergence between BC and WC employees.

The Case: ULMA Architectural Solutions

ULMA Architectural Solutions is a small-to-medium-sized employees' cooperative based in the Basque Country, Spain, with a population of approximately 2.19 million in 2020. It's a region with a strong industrial past, and, although COVID-19 has had a negative impact on industry, unemployment remained at 11.2% and the working population increased by 1.5% in the fourth quarter of 2020 (Eustat, 2021). Comparing it with other regions of Spain, it has not suffered the effects of the health crisis to the same extent.

The firm was founded in 1990 as a worker cooperative. It designs and manufactures prefabricated products for the construction of drainage and external wall systems, architectural precast and ventilated facades. It's workforce has averaged approximately 254 people in 2021, of which approximately 82% are employee-members, with 115 employees BC and 139 WC.

ULMA Architectural Solutions belongs to MONDRAGON, which is an integrated network of over 95 cooperatives and approximately 135 affiliated organizations. Together, these firms generated €12,320 million in sales and had a workforce of over 81,000 people in 2019.

In cooperatives, participation can occur in three differentiated areas; PDM, economic participation, and participation in ownership, as will be explained below.

In MONDRAGON cooperatives, the members' participation is fostered in three areas: in the ownership of the organization, as they contribute to the cooperative economically and therefore, they become owner-members; in the so-called "economic participation," as they receive their corresponding economic reward; and in the decision-making of the cooperative through their voice and/or vote by means of the institutional (formal) democratic structures (governance channels) provided by the cooperatives. These governance channels provide the members with the mechanism for individual participation (either directly or through their representatives) and allow and promote PDM.

1. *The General Assembly*: according to article 1 of the law of cooperatives of the Basque Country, "this is a meeting of the employee-members, held to deliberate on and make decisions about matters of their competence." It is the supreme body of the cooperative (Larrañaga, 2005) and one that expresses the communal will of all the participating employee-members (Altuna Gabilondo, 2008). Its functions are: to adopt strategic plans of action and annual management plans, to name and revoke the members of the Governing Council, and to adopt agreements regarding the cooperative's legal system (i.e., statutes or internal rules of procedure). The General Assembly is composed by all the members of the cooperative where each of them has one vote, regardless of the contribution to the capital done.

2. *Governing Council*: this is the representative, managing and governing body of the cooperative (Larrañaga, 2005; Altuna Gabilondo, 2008; Altuna and Grellier, 2008), and its role is to exercise all the faculties that by law or according to the statutes are not expressly the function of the other corporate bodies. Its members are appointed by all the members of the cooperative in the General Assembly. Its functions are divided into (a) social functions, (b) legislative and institutional functions, and (c) functions related to financial management.[1]

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[1]The social functions of the Governing Council are related with employee-members (new contracts, canceling of contracts, leave of absence, professional qualifications, rewards. . .). It interprets the cooperative's statutes and Rules of Procedure in the case of doubts and proposals by the Assembly to modify the statutes or procedures, and it represents the cooperative before third parties. It carries out a monthly control of the cooperative's economic activity, presents

3. *Audit Committee*: it is the supervising body, whose functions are surveillance, mediation and transmission of information. Other functions are the control of accounts and audits: review of the annual accounts, end-of-year balance sheets, etc. (Larrańaga, 2005). It oversees the process of election and designation by the General Assembly of the members of the other bodies. Its members are elected by all the owner-members in the General Assembly.

4. *Social Council*: this is an advisory representative body of the employee-members without any decision-making capacity, as it merely fulfils an advisory, informative and consultant role in all aspects affecting labor relations. It is the main channel of dialogue for the employees. It is common practice in cooperatives for its members to be named by the different departments or sections; in this way, the representatives of the Social Council represent the employees of the department or section to which they belong. The meetings that each representative holds with his/her department/section are known as social council constituents' meetings (*consejillos*) (Larrańaga, 2005).

5. *Management Council*. This is the executive body and is formed by managers and directors of the cooperative. It coordinates the functions of the management team and the advisory role of the Governing Council. Its main function is to coordinate and stimulate the day-to-day business management; i.e., to advise Management in aspects of business promotion and development, making forecasts and carrying out planification, and proposing actions to be taken with respect to business activity. It is responsible for monitoring the work of the executive branch of the company (Larrańaga, 2005) and its members are appointed by the member's representatives on the Governing Council.

Apart from the above-mentioned governance channels, diverse types of meetings serve as channels of communication in UAS, as they do in other types of businesses. Meetings are one of the most known forms of IC (Ongallo, 2001; Enrique, 2007), and in cooperatives they include meetings of collaborators, departmental/area meetings, etc.

Since the aim of the article is to analyze the impact of COVID-19 in UAS, we should highlight that, due to the declaration by the Spanish government of a national state of alarm on 14 March 2020, UAS ceased its activity for 2 weeks, and thereafter modified its work practices. WC employees began working from home and BC employees returned physically to their workplace and began to work on a flexible timetable.[2] In the case of those on temporary contracts, 20 employees were let go with a commitment to contract them again as soon as there was work, which occurred in less than 2 months.

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the annual report and end-of-year balance sheets and proposes the allocation of surplus to the General Assembly, among other financial functions (Altuna and Grellier, 2008).

[2] A work schedule that varies depending on demand and which adapts to the needs of the company.

THEORETICAL FRAMEWORK

Employee participation has been widely studied, among others, within the fields of OD and HRM. In these fields, the academic approach to the concept of participation has different perspectives.

According to authors such as Harrison and Freeman (2004), Kerr and Caimano (2004), Weber et al. (2009), and Yazdani (2010) OD is an approach related to the management where employees are involved in the decision-making and management process. OD describes an organizational climate where employee participation is institutionalized, broad-based and ongoing (Wegge et al., 2010). Therefore, OD comprises the idea that employees participate in the organizational and governance processes (Harrison and Freeman, 2004) and where the majority of employees "participate in the form of institutionalized and binding involvement (mandatory joint consultation) or decision-making (i.e., codetermination with equal representation or collective self-determination), refer to tactical or strategic decisions; considers issues at the organizational level (a large unit, plant, corporation, etc.); participate either directly (within meetings or general assemblies) or indirectly through their representatives who are elected or appointed into a representative board/committee; and often hold a share in their organization's equity capital" (Wegge et al., 2010, p. 162; Weber et al., 2020).

Focusing on organizational participation and its definition, Wilpert (1989, p. 79) states that "participation is the totality of forms, that is, direct (immediate, personal) or indirect (via representatives or institutional means) and intensities, ranging from negligible to comprehensive, through which individuals, groups, collectives ensure their interests through self-determined choices of possible actions."

At this respect, some authors differentiate three areas in which participation can occur: PDM, economic participation and participation in ownership (Rodríguez-Sañudo Gutierrez, 1979; Hermel, 1990; Albizu et al., 2005).

1. PDM includes employee participation in day-to-day management activities; sense-making; and governance decision-making, which refers to decisions related to overall control through formal governance bodies (Baniandrés and Larrinaga, 2013). This classification is in line with the distinction found in Eurofound (2013), where PDM is divided into three levels: one's job; the department or section the employee belongs to; and strategic decisions. Bernstein (1976b, p. 492) distinguished between: "the degree of control employees enjoy over any particular decision; the issues over which that control is exercised; and the organizational level at which their control is exercised" and settled that PDM was the first necessary component of democratic workplaces (Bernstein, 1976a).

2. Economic participation refers to the economic rewards employees receive: salary, recognition, profit- or gainsharing, or any other economic benefit.

3. Participation in ownership refers to the relationship of the employee with respect to ownership of the enterprise, as a shareholder or as employee-member.

As said before, participation has also been studied from the HRM field. The focus has been on the importance of the person according to the resource-based theory that stressed the importance of internal resources of an organization (Barney, 1991) in generating a competitive advantage (Wright et al., 1994; Jackson and Schuler, 1995; Chadwick and Dabu, 2009). In this sense, employees can be considered fundamental in generating this advantage (Wright and McMahan's, 1992), especially if they are aligned with the organization's strategy (Begin, 1991; Capelli and Singh, 1992; Jackson and Schuler, 1995).

The Strategic HRM theory holds that what are known as HPWS increase the knowledge, abilities and skills of people, thus empowering them, enhancing their motivation (Becker and Huselid, 1998; Delery and Shaw, 2001), and creating the competitive advantage that has proved to be so necessary in organizations in recent times (Xian et al., 2019; Miao et al., 2020; Wattoo et al., 2020).

There is no consensus among academics regarding the definition of HPWS, or about what practices they should involve (Boxall and Macky, 2014). However, one of the practices usually included within the system is PDM (Huselid, 1995; MacDuffie, 1995; Appelbaum et al., 2000; Combs et al., 2006; Guthrie et al., 2009; Boselie, 2010; Zhang et al., 2013; García-Chas et al., 2014; Ramdani et al., 2014). Apart from being the first necessary component for a workplace democratization (Bernstein, 1976a), PDM can be considered one of the stalwart practices of HPWS, and one which allows businesses to achieve competitiveness (Messersmith et al., 2011).

In this context, cooperatives are by nature the organizations with the greatest potential to integrate involved, active and participative people into their projects. In fact, the three areas of participation mentioned above, are present in the cooperatives. Moreover, participation is a basic principle of their business formula and in the cooperatives within MONDRAGON, participation is the spine of the group's cooperative experience (Altuna Gabilondo, 2008) and one of its identifying features (Agirre et al., 2015). However, as mentioned before, the participation in cooperatives has some lights and shadows that literature gathers. Bretos et al. (2020) offer a detailed revision of the debate on degeneration and regeneration, where "the organizational degeneration implies that employee involvement in decision making is diminished in favor of control by a managerial elite or technocracy," and the regeneration thesis implies that "democracy is reinvented." In particular, Bretos et al. (2020) revealed that the life cycle of international cooperatives evolves differently to those small and medium-sized cooperatives that operate exclusively locally and that cooperatives are able to activate processes of organizational change tended to revitalize cooperative values and practices. Notwithstanding the above-mentioned, they found that degenerative and regenerative tendencies can occur simultaneously. In light of the conclusions and questions arisen from such study and in this scenario of COVID-19, we consider

it interesting to analyze whether the pandemic had lead a cooperative such as UAS to develop any symptom related to a degeneration or regeneration process.

As mentioned in the introduction, in the case of MONDRAGON, IC is related with participation. In accordance with Belategi et al. (2019), the principle of PDM, implies a progressive development of self-management and, consequently, the participation requires the development of adequate mechanisms and channels of participation and transparency of information.

Wilkinson et al. (2010) define employee participation as the range of mechanisms used to involve the employee in decisions at all levels of the organization where information and communication are considered to be main components of the process. They proposed the "escalator of participation" where it can be observed a progression upwards from information to make decisions (information, communication, consultation, codetermination, and control). So, in this sense, IC is a key aspect to develop employee participation.

Internal communication is a practice by which information is collected, shared and distributed to ensure that employees understand the organization's objectives and goals (Verčič et al., 2012; Uysal, 2016; Smaliukienė and Survilas, 2018). According to García Jiménez (1998) and Del Pozo (2000), investment in IC generates participation, identity, unity and a sense of belonging within the organization. Kovaitė et al. (2020) affirm that IC plays a key role in maintaining employees informed about the plans, vision and business ideas of the organization and it encourages them to participate in the decision-making process. In this way, IC can be considered an indispensable tool for organizations (Carrascosa, 1992; Peters, 1995; Sánchez and Shimón, 1997; Elías and Mascaray, 1998; Gonzalo, 2002; Jaén Díaz et al., 2006; Saló, 2007; Welch and Jackson, 2007; Hargie and Tourish, 2009; Tessi, 2012; Vilanova, 2013) and to develop employee participation (Belategi et al., 2019).

Moreover, Belategi et al. (2019) endorse the importance of listening in IC in one cooperative in MONDRAGON, based on Tessi (2012, p. 65), who says that "one of the most important and strategic decisions to be made in terms of IC is to actually prioritize listening above everything else." In line with this, in the 89th Session of the Communication Forum, held in Spain in 2020, under the title "IC in times of COVID: a turbulent present and a gaze toward tomorrow" (translation of the original title), a key aspect of human resources departments seems to be a drive to ensure IC based on the ability to listen, leadership and empathy.

The COVID-19 pandemic has modified the way organizations act and work (DeFilippis et al., 2020) and has also accelerated the implantation of new approaches to work, such as digitalization and remote working (Carnevale and Hatak, 2020; Xifra, 2020; Yawson, 2020). Indeed, there is a new discourse regarding the need to modify the work culture of organizations (Spicer, 2020). The pandemic has affected the means and techniques of IC (Sanders et al., 2020; Xifra, 2020) and has highlighted the need for new styles of management of IC, with traditional forms of IC becoming digital (Ruck and Welch, 2012; Ewing et al., 2019), in the form of social networks, streaming etc. According

to Gallup (2020), IC has allowed people to work in a more productive manner and to maintain their work commitments in a context of uncertainty, ambiguity and changes.

In scientific terms, it is interesting to study the impact of COVID-19 on democratic structures and practices in a cooperative belonging to MONDRAGON. This research will be done through the analysis of the impact of COVID-19 on the employees' perceptions about PDM, governance channels and IC. Changes in these indicators may prevent or foster tendencies of the generation or degeneration in cooperatives.

We are interested in performing this analysis from the perspective of WC and BC employees, an approach that is unusual in the scientific literature, but of great interest given that the two groups differ considerably in their perceptions. Many of the cooperatives within MONDRAGON are manufacturing businesses where employees perform jobs of a diverse nature and have qualitatively different experiences and perceptions concerning their work.

It is relevant to underline that the literature has not taken into consideration the importance of the type of job/professional group to which employees belong when explaining employees' perceptions of their job and organization (Blauner, 1964; Dubin et al., 1975).

Historically, the term known colloquially as WC has been used to refer to office employees, while that of BC has been employed for manual employees (Shirai, 1983). Hopp et al. (2009) noted that BC employees carry out physical and routinary tasks while WC employees perform any task that requires intellect or creativity. However, as Ramirez and Nembhard (2004) pointed out, this distinction does not necessarily mean that there are jobs which are purely BC or WC.

It is relevant to consider this classification of employees, as the literature shows that, for diverse reasons, including frequently lower levels of job complexity and autonomy, higher levels of physical effort and other less favorable working conditions, worse career prospects, less formal education, factory/manual and other BC employees' perspectives are generally found to be more negative than those of WC employees; in fact, research suggests that their very conceptions of work, satisfaction and career and related experiences are notably different from those of the other group (Hu et al., 2010).

UAS is an industrial cooperative whose percentages of BC and WC employees are 45 and 55%, respectively. Arregi et al. (2018) in the same cooperative observed that, when questioned, employees' perceptions of the organizational atmosphere and of cooperative ownership beliefs and behavior were strongly associated with whether they were BC or WC. Consequently, this classification has been taken into account as far as possible in the present research.

In summary, working conditions for employees have been altered drastically in COVID-19 era; from working on the premises of the organization to working on-line or under new company policy and procedures that reduce physical contact among employees (Carnevale and Hatak, 2020). This represents a great challenge to employee participation (spine of the experience of MONDRAGON), with a subsequent need to modify the channels and mechanisms of decision-making

and communication. This context leads us to the first research question:

To analyze how COVID-19 has affected employees' perceptions of their PDM and how governance and communication channels have been adapted to satisfy the new needs arising out of the current situation, differentiating between BC and WC.

Beyond the effect of COVID-19 on PDM, it has clearly influenced employees' psychological situation. Some of the most studied psychological outcomes in the literature are satisfaction, commitment, trust and motivation (Meyer and Allen, 1991; Meyer, 2001; Colquitt et al., 2007; Allan et al., 2019). A year after the first global lockdown, diverse studies have analyzed the psychological consequences the pandemic has had for employees in the workplace. In this new paradigm, there is a clear effort on the part of scientific research to assess the psychological impact of COVID-19 on the well-being of employees (Carnevale and Hatak, 2020; Lee et al., 2021; Meyer et al., 2021; Möhring et al., 2021); on their motivation and commitment (Adhitama and Riyanto, 2020; Chanana, 2020; Kaushik and Guleria, 2020; Mani and Mishra, 2020; Risley, 2020; Yuan et al., 2020; Jung et al., 2021); on their satisfaction (Bulińska-Stangrecka and Bagieńska, 2021; Ojo et al., 2021); trust (Gillespie et al., 2020); health/stress (Hamouche, 2020; Teng et al., 2020; Reizer et al., 2021), or on their sense of uncertainty (Tang et al., 2020); several of which aspects were analyzed in the previous crisis of 2008 (Tonkiss, 2009; Biswas and Biswas, 2010; Markovits et al., 2014; Závadský et al., 2015; Meyer et al., 2018; Charles et al., 2019).

Relationship between PDM and psychological outcomes has been largely studied. We find interesting to overview the literature corresponding to such relationship. This review offers arguments/evidences to be taken into account, not only by organizations to foster employee participation, but also by employees to participate.

Several studies in the OD field have showed that employee participation is related to psychological outcomes such as satisfaction, commitment, motivation, organizational civism and other similar (see some references in Weber et al., 2020). Jarley et al. (1997) stated that democratic governance is considered key to greater organizational effectiveness and is mandatory to achieve higher levels of innovation and performance (Manville and Ober, 2003).

Within the HRM field, many studies have explored the relation between HPWS (where PDM is one of the practices taken into account more commonly) and competitiveness (Paauwe, 2009; Guest, 2011; Jiang et al., 2012; Paauwe et al., 2013; Elorza et al., 2016). Other studies have analyzed the relationship between HPWS and individual employee psychological outcomes, such as satisfaction, commitment and well-being (García-Chas et al., 2015; Huang et al., 2016, 2018; Teo et al., 2020).

If we focus on organizations where the ownership is broadly shared, literature suggests that such organizations tend to generate more positive psychological outcomes than those enterprises where the ownership is not broadly shared (Long, 1978, 1980; Wilson and Peel, 1991; Van Dyne and Pierce, 1993; Kruse, 2002; Höckertin and Härenstam, 2006; Reeves, 2007;

McQuaid et al., 2012; Poutsma et al., 2015), although there are studies that reach the opposite conclusion (Arando et al., 2015).

With regard to cooperatives, Ortega (2019) concludes that academic literature tends to confirm that cooperatives have greater resistance to maintaining activity and employment in periods of economic recession (Pomares Hernández and Grávalos Gastaminza, 2001; Díaz Foncea and Marcuello Servós, 2010; Cantarero Sanz et al., 2013; Morandeira, 2014; Sala Ríos et al., 2014, 2015; Villafañez, 2014; Bretos and Morandeira, 2016; Perad, 2016; Soto Gorrotxategi and Diaz Molina, 2018).

Numerous studies have demonstrated the positive aspects and economic or social benefits of financial participation, for employees (Rhodes and Steers, 1981; French and Rosenstein, 1984; Oliver, 1984, 1990; Klein, 1987; Dong et al., 2002; Gamble et al., 2002; Kruse, 2002; Kuvaas, 2003; Höckertin and Härenstam, 2006; Kruse et al., 2008, 2010; Employee Ownership Association [EOA], 2010), for the company (Employee Ownership Association [EOA], 2010), and for the broader community (Kruse et al., 2010).

Although the above literature only focus on economic participation and ownership, some authors argue that is the combination of different areas of participation within companies that can help to achieve different psychological results. Klein (1987) proposed the Instrumental Satisfaction Model, by which capital ownership is widely shared and accompanied by other organizational policies and practices related in particular to information-sharing and employee PDM. This combination of policies and practices and shared ownership will lead employee-members to be satisfied with their ownership and will bring other positive outcomes to the company.

Therefore, employee participation is one of the tools with most potential available to companies, and through more participative organizational models, employees can participate in the company, from decision-making to ownership (Elorza et al., 2016), allowing the best organizational and psychological results to be achieved.

In addition, several studies highlight a positive relation between an adequate policy of IC and various psychological outcomes, such as employee satisfaction (Bustamante, 2013), motivation (Opitz and Hinner, 2003; Bustamante, 2013), the identification of employees with the company (Smidts et al., 2001), and employee well-being (Welch, 2011; Ruck and Welch, 2012; Verčič et al., 2012; Ruck, 2020).

In this regard, although we will not analyze the relation between the changes of perceptions related to PDM and psychological outcomes derived from the COVID-19 era, we have considered it interesting to address the second research question:

To analyze how COVID-19 has had an effect on psychological outcomes and the emotions experienced by employees during this period.

MATERIALS AND METHODS

With the aims explained above, we have used a qualitative and quantitative design for this study.

The research was carried out at UAS, an employees' cooperative within MONDRAGON, as already mentioned (see section "The Case: ULMA Architectural Solutions").

To explore the gaps detected in the theoretical framework, we considered that a case study was the methodology that would best fulfill the needs and objectives of our research. As indicated by Yin (2013) and Maxwell (1996), the case study methodology is the most appropriate when the research questions require a profound exploration of a social phenomenon (such as COVID-19), when the focus of the research is to understand said phenomenon and its processes, and when it is important to analyze the how and why of the phenomenon.

One of the limitations of this methodology is that the interpretations of data are based on the impressions of the researchers and, therefore, cannot be extrapolated to other contexts. In order to reduce the impact of this limitation, we have used different techniques to triangulate the evidence and not base conclusions solely on the researchers' interpretation. In addition, we have applied validity criteria such as the use of multiple sources of evidences, the maintaining of the chain of evidence that allows to trace the data and the revision of the draft of the results by a key informant in UAS (Yin, 1998). On the other hand, it has not been our intention to generalize the results or conclusions drawn in this article, as each business has its peculiarities and nuances that make it unique and impede the extrapolation of results to other companies. Nevertheless, the results obtained in this research through the case study model try to facilitate the construction of arguments, interpretations and insight into employee experiences, all of which can be of use to other organizations that are preoccupied about how COVID-19 may affect the participation of its employees and IC, and which are conscious of the concerns of this new paradigm. With this study we invite other academics for further studies in the field of the participation in the new era after COVID-19, either in cooperatives or other democratic organizations.

In the qualitative methodology, the focus group, described below, is the main method used to address the research questions. For the quantitative methodology, on the other hand, an online questionnaire was employed with the aim of encouraging the employees' participation by enquiring about their opinions and perceptions. The two methodologies are considered to be complementary when seeking responses to the research questions put forward.

That said, the principle technique of data collection in the study has been the employment of a focus group. The technique consists of organizing meetings of small or medium-sized groups in which participants discuss one or various subjects in an informal environment, with guidance from researchers (Hernández et al., 2010). In this regard, the data collection has followed a case study protocol designed by the researcher in order to deal with the reliability of the study (Yin, 1998).

Five focus groups were carried out on the 12th (1 focus group), 13th, and 14th (2 focus groups each day) October 2020. The number of participants in each focus group varied, from 6 to 11 people, with a total of 42 participants among the five groups. By request of the company, the groups lasted an average of 30 min. The duration of the focus and the number of participants can

be seen as a limitation of the study. However, the researcher tried to foster the involvement of all the 42 participants and the duration was not understood as a limitation for expressing their perceptions freely. All the focus groups but one were recorded, with the authorization of all the participants.

The focus group participants were volunteers and were recruited from among both BC and WC employees. In addition, we made a point of recruiting members from some of the governance and other elected social bodies (due to their knowledge of the governance channels). In total, 24 BC employees and 16 WC employees participated, 8 of the total belonged to governance bodies. Two participants chose not to give information about their professional status or whether or not they were members of any of the cooperative's bodies.

To encourage debate and discussion among the participants, they were given a brief questionnaire prior to the focus group (see Annex 1). The questionnaire is a quantitative method of data collection in which the perceptions of the participants about the subject under analysis are recorded in a quantitative manner. The questions in the questionnaire designed at MIK, the management research center in Mondragon University, were approved by the company's HRM department.

The questionnaire consisted of eight items and one control question. The items were related to perceptions about PDM at the three levels identified in the literature (in the individual's job, in the department/unit/section, and in strategic decisions). The items also enquired about perceptions of the psychological consequences of COVID-19 in their lives. In the survey, a variety of answers was provided in order the participants to understand the questions. Lastly, there was a control question related to the professional circumstances of the employee; namely, whether he/she was BC or WC, and whether or not they formed part of one of the governance bodies.

The questionnaire was completed by all the employees who participated in the focus groups and thus served as a starting point for the analysis of their perceptions. The responses of the questionnaire were visualized on a screen and analyzed by both participants and researchers, thus stimulating a dialogue with which to probe, question by question, the quantitative responses and understand the employee's perceptions in a qualitative way. This dynamic led participants to express perceptions and feelings beyond the provided questions and answers.

In respect of the analysis, a descriptive analysis of the quantitative data was done. In relation to the qualitative data, the recorded focus groups were transcribed and the notes taken in the non-recorded focus group were included in the transcription. Then, the data was organized by each of the research questions. And finally an interpretation of the results was done in order to understand the impact of the COVID-19 in UAS.

In short, we decided to use a methodology that was both quantitative and qualitative in this research. Quantitative research allows us to determine the relation between elements, but it does not provide information about the *hows* and *whys*, which permit a qualitative point of view (Villarreal Larrinaga and Landeta Rodríguez, 2010), and which is the aim of this article.

RESULTS

Research Question 1

Research question 1 asked how COVID-19 has affected employees' perceptions on PDM and how governance and communication channels have been adapted to satisfy the new needs arising out of the current situation. **Table 1** summarizes the quantitative results for Research Question 1 for the overall sample as well as for the both groups (WC and BC separately). The results related to PDM have been classified according to the three levels cited above: in the individual's job; in the department/business unit; and in strategic decisions. We have also included in the **Table 1** the results regarding the perceptions about IC. As said before, both concepts are linked in our reality.

When participants answer the questions about IC, they refer to both governance channels and day-to-day communication channels. The participators themselves link IC with PDM.

It is interesting to observe that, while only 28.21% of the employees think that COVID-19 has not affected their level of PDM in their job, this percentage rises to 50% in the case of strategic decisions. However, it is also of note that, while only 5% think that the crisis has affected their PDM in job considerably, this proportion doubles in the case of strategic decisions. In this way, there seems to be different perceptions about PDM according to the level.

Notwithstanding the above-mentioned, we must highlight that, in general, when asking the employees about their perception related to IC, they perceive that it has been affected somewhat or considerably by COVID-19 (more than 80% in both cases).

If we focus on PDM in the job, the predominant perception among BC employees is that COVID-19 has had only a slight effect (56.5%), while less than half that percentage of WC employees have the same opinion (20%). On the other hand, among the WC employees, 47% conclude that COVID has had a considerable (7%) or intermediate (40%) influence, in contrast to 17.3% of the BC employees. Therefore, it can be observed that the impact of COVID-19 has more affected the WC employees in their perceptions of PDM in the first level.

In terms of PDM in the department/business unit, the percentages of employees that perceive considerable changes are low. It is noticeable that 27% of WC employees identify an intermediate effect (somewhat), while a large percentage of BC employees consider that the effect has been slight or null. In addition, it is noteworthy that the perception among BC employees that COVID-19 has had a slight effect is around 15 points higher than that of their WC colleagues.

In relation to strategic decisions, the prevailing perception among both BC and WC employees is that COVID-19 has not affected PDM. More than half the WC employees and almost half the BC employees perceive no effect. However, it is noteworthy that, among the former group, 23% consider COVID-19 to have affected PDM in strategic decisions considerably, while 26% of the latter group perceive the effect to be intermediate, both of which percentages exceed those attributed to other levels. This implies a disparity of perceptions among

	To what extent has COVID-19 affected your perception of. . .											
	PDM in your job?			PDM in your department/business unit?			PDM in strategic decisions?			IC?		
	WC	BC	Total	WC	BC	Total	WC	BC	Total	WC	BC	Total
Considerably	7.0%	4.3%	5.13%	7.0%	9.5%	8.11%	23.0%	8.7%	13.16%	37.5%	58.3%	50.0%
Somewhat	40.0%	13.0%	25.64%	27.0%	0	10.81%	8.0%	26.1%	18.42%	43.8%	29.2%	35.0%
Slightly	20.0%	56.5%	41.03%	27.0%	42.9%	35.14%	15.0%	21.7%	18.42%	6.3%	8.3%	7.5%
No effect	33.0%	26.1%	28.21%	40.0%	47.6%	45.95%	54.0%	43.5%	50.00%	12.5%	4.2%	7.5%

employees, even among those belonging to the same category (in this case, WC).

When we explore PDM in their job further, the employees related this sensation with a reduction in interpersonal communication and the impact of COVID-19 on their day-to-day job. In this sense, in the feelings expressed by the workers, it seems that something has been lost in this communication, and therefore, in their PDM.

"participation. . ., to a certain extent it has affected us. . . Not in a serious way, but yes. . .I've been here practically every time, but there was always somebody missing. . .either they aren't here. . .they don't log on, or they can't log on. . . that kind of thing. . . if you aren't near. . ."

"some have been (working) at home, and although the telephone is there, it just isn't the same"

"I haven't been on site: I might have been there to make decisions. . . meetings via Skype. . .a lot of e-mails"

Therefore, we can derive that when employees perceive that job participation has been affected considerably (5.13%) or quite a lot (25.64%), this change is perceived negatively.

In the department/business unit, on the other hand, PDM was related to modifications in the way of working. In this case, there is a high percentage of employees that perceives that PDM was slightly affected (35.14%) or not affected (45.95%). This result reflects that the COVID-19 has not affected the perception of employees in terms of PDM itself, but it has affected the type of decisions that had to be taken in order to face the economic situation derived from the COVID-19.

"for example, in my area. . . Decisions have had to be taken up until now that had practically never been taken. . . there were some things that we didn't do as a rule"

"a lot of projects have been paralysed, visits to quarries to check materials, etc. all these processes have been paralysed. In the department we have had to redistribute positions. . ."

In UAS, as in other firms, diverse types of meetings serve as channels of communication. In this case, when asking about IC the participants mentioned meetings of collaborators and departmental meetings, both of them related to employee PDM in department/business unit.

In this context, BC employees perceive the need to maintain or to resume monthly meetings that were called off because of

COVID-19. The absence of these meetings means they have not had access to information.

"the fact is we don't receive information"

"there is some information, but in comparison to before there is a real lack of information"

"if there is information, it doesn't reach us"

"the information is incomplete; we receive a document with the most important points, which are usually about results. At the social level, before there was much more extensive information than what you can send now in a document."

Some of the BC employees feel there should be more information, with the same structure and of the same type as that which existed before COVID-19: *"Yeah, yeah, they need to hold the meetings, the same as before."*

In the case of WC employees, departmental meetings have not taken place in all departments/sections, but in some cases they do not know if this is due to COVID-19 or other reasons.

"in the department we belong to, the last two meetings haven't taken place, but I'm not sure if it's because of this or not"

"we've had meetings, different to before, but we have had them. It isn't the same, but, well. . ."

". . .yes, we should have the monthly meeting, me and my department, and we don't do it.you can see there that. . .somebody will say, man, we need to talk. . ."

When we enquired about the perception of their voice having been heard by their direct boss during COVID-19, differences were apparent between BC and WC employees. The majority of participants felt they had been heard by their direct boss during the pandemic, but the extent varied, with more positive perceptions among WC employees:

"I've felt listened to"

"in my case, with my boss, as he's an individual person, it's easy, but when it's a team I think it will be more and more difficult"

"with COVID I think even more, I reckon. . ."

"there has been more communication with the direct boss"

"I always do, because I have a close relationship. . .We work alongside each other every day."

However, negative perceptions were also expressed: *"well, not in every case. . .personally, I do, but I know there are some people who feel somewhat abandoned, people who were (working) at home"*.

In the case of BC employees, their perceptions were generally negative:

"I miss the monthly meetings, where we talk about the line. . .it's a forum for discussion. . .yeah, when I've had something to say I've gone, and yes, I've been listened to, but it isn't a natural forum. . .as a team, as a group. . .Things that go on in the line are spoken about in the bi-monthly meetings, and seeing as they aren't being held. . .a lot of things aren't discussed."

"we can't feel listened to all the time on the production line, because there's a single person responsible for 20 people, so it's understandable that you don't feel listened to at certain moments because one person can only do so much. . .but this hasn't got worse during the COVID-19 period"

"In production, it's because of lack of time. . . . Because we can't leave our work post, neither you nor he"

Thus, in this case, we can conclude pointing out that the perception about PDM in department has been neither positive nor negative. The perceptions are neutral. However, regarding to the IC related to the department/business unit, most of the evidence comes from the BC employees, practically all of which is negative, with regard to the holding of meetings, the absence of channels, the lack of information and the perception of being heard. There is no evidence from WC employees other than a positive feeling regarding listening from their leaders.

Lastly, when we asked employees about their perception of their PDM in strategic decisions, they also referred to changes derived from COVID-19, as in the case of the PDM in the department/business unit:

". . . and then also the decisions, you know,. . .there are decisions that have been put on hold because of COVID-19"

"the whole aspect of investments. . . what was planned has been postponed"

"even the management plan, it was changed after it having being agreed on 1st January"

In the focus groups there was talk of the Governing Council, and the fact that it had to adopt decisions of major importance that would not have been taken pre-COVID-19.

"in the governing council, we have made decisions. . . it has been. . .."

"the situation with COVID has led us to engage in a series of important decisions, talks, assemblies. . . it has meant extra work, much more than during normal times. . ."

In the more institutional sphere, there is a general negative perception related to the lack of celebration to the social council constituents' meetings among the BC workers. Indeed, they require to hold these meetings, because of the interaction they facilitate. They even propose ideas to celebrate them, in smaller groups. In the case of WC, they propose to hold these types of meetings following a different format, maintaining the pre-COVID-19 structure.

"face-to-face in the end is the same as on paper, but if you have any queries, you have someone to ask, they clear up any doubts you might have there and then. . ."

"I sincerely believe that, the way things are now, several of the meetings, with the people who usually attend and everything, they could easily be held here. . .not the very big groups, but the rest could be"

"not only insofar as the information you receive, but also when it is given. . ."

"for me it's different if they explain things to you or. . . there isn't any interaction, questions and the rest"

"I've heard that people feel much more comfortable if the meeting is in person"

Additionally, some participants proposed mechanisms that could be used to allow the information to be transmitted satisfactorily. In the BC workforce, they proposed physical meetings per line or shift *"perhaps there needs to be a meeting for every shift/line"*. In the WC workforce, on the other hand, they suggested using the on-line format because the employees have the necessary resources *"I think that the social council constituents' meetings can be held by Skype, for example in the offices,"* *"yeah, they are missed. . .people feel much more comfortable holding social council constituents'meetings."*

In terms of how PDM in said meetings had changed, part of the WC employees indicated that attendance was low, though the reason was unknown (among the BC employees, it is compulsory to attend these meetings because the production line stops because of it).

With respect to informative talks (pre-General Assembly), which were held in smaller groups, one of the members of the Social Council affirmed that the Council had come to the conclusion that PDM had improved.

This affirmation is reflected in the generally positive evaluation by employees of the General Assembly; the fact it had taken place on-line, and that there had been informative talks given prior to the event, in which almost the entire content of the Assembly could be downloaded, was considered to have facilitated understanding.

"it was more positive,. . .especially the key points that were to be voted on, much better than arriving and. . ."

"I think that it has been rated very well in general"

"personally, I think it went very well"

"there were debates, and those debates don't always arise in an assembly"

It seems, therefore, that workers perceive differences between the governance channels above explained. Thus, for the most operational and frequently used channels, such as social council constituents' meetings, it seems that BC employees perceive that they miss holding these meetings and they require to hold them, while WC ask for changes in the way they are held. So the

general impression is that PDM in this channel can be improved and/or modified.

On the other hand, the most important channel of strategic participation, the General Assembly, is valued positively, and this positive perception is related to the effort made by the cooperative to carry it out online, after holding informative talks in small groups.

In conclusion, we found evidence that COVID-19 has influenced the perceptions of PDM at the three levels explored: in the individual's job, in the department/business unit, and in strategic decisions. Such perceptions are positive or negative depending, on the one hand, on the job-professional group (BC-WC) and, on the other hand, on the level of participation and the governance and communication channels.

Research Question 2

Secondly, we asked the employees about how COVID-19 had affected some psychological outcomes, in particular, their satisfaction, motivation, commitment or trust, requesting that they identify the outcome which had been most negatively and positively affected. The results are shown in **Table 2**.

Regarding the outcomes that employees perceive to have been most negatively affected, more than a third of those questioned did not answer, as they considered that none of the possible responses represented the outcome they personally felt had been the most NEGATIVELY affected during the period of COVID-19, or because, in their opinion, no outcome had been affected negatively.

"I haven't voted because I haven't recognized any of those. . .I don't know, personal uncertainty. . ."

"I don't think any of them have"

"in my case, it hasn't affected me negatively"

"here, internally, I don't think it has affected us as much as we thought it was going to affect us. . ."

Satisfaction, motivation and trust (in that order) have been the outcomes most negatively affected, with similar percentages among the three. It is noteworthy that nobody identified commitment.

"I've chosen satisfaction because of how uncomfortable it is to wear a facemask"

"I chose satisfaction too. . .apart from the sense of insecurity that COVID creates in normal life, to tell the suppliers that you aren't going to be able to do it because you're afraid and to say no to them, delay things, well, that isn't satisfactory."

"I said satisfaction. because the satisfactions you might have had before, they've been taken away. . . well, they haven't been taken away, but they've been diluted a bit or put to one side"

"in the beginning it was scary, the threat of being let go. . .but in the end it didn't turn out to be the case"

"I chose motivation, you got up every day without knowing exactly what to expect, what you were going to find. the situation has been complicated and to be motivated. . .is complicated"

"I voted for trust, because the situation creates distrust and insecurity, not only at work. . .24 hours a day"

"I voted for trust, in part because of the uncertainty of not knowing if the guy you have next to you is going to be ok, if you're going to be all right, that fear, a little. . ."

"I chose security, because of the present situation, because of the health threat. . .economic too, but more because of health"

In the qualitative part of the focus groups, some of the participants who did not answer mentioned uncertainty as the outcome that had been most negatively affected for them.

"there's a lot of uncertainty there. . .to do with everything, economic, personal. . ."

"initially we did feel a lot of uncertainty about how and when it was going to bring pressure - at the business level (meaning that expectations as a company at the beginning were bad, but time has shown that expectations weren't so bad)

"I also voted for uncertainty in a generic way, maybe tomorrow we'll all be sent home and have to wait to see what happens. . ."

With respect to the positive perception of the pandemic, 45% of the employees considered that their level of commitment had been the clearest outcome.

"In this sense, I've also chosen commitment, because I think it has been demonstrated by actions. . .they cancelled the contract of several temporary employees and they made a commitment to contract them again and they did; the company committed itself to a series of people that were going to be temporary members later on, and they did that too. . .so, on the part of the organization, a series of commitments were undertaken and fulfilled"

"from the outset, we gave ourselves 85%[3]. Once more, our commitment has been firm. . . and in general we have committed ourselves fully to complying with the safety measures that have been implemented"

"in terms of remote working, I think the commitment of the employees and the mutual trust among employees and as a team have been enormous. . ."

"really in a situation where you are confronted with these difficulties, the urge to lend a hand. . ."

"yeah, the commitment to help one another. . . it's at difficult times like these that you can see it. . ."

"in the end we were in a situation that was so. . .one day we had to come in, the next day we had to go to the post office, the next day. . .you did things that. . .I don't know how to explain it, you just had to muck in"

"I voted for commitment. . .it was like that before, you know, but now there's more commitment, for safety's sake, because of what could happen. . ."

"I picked commitment too because as individual people and a cooperative we are committed to eradicating this pandemic,

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[3]In this case the participant refers to a payroll advance (a payment option within cooperatives). The percentage of salary to be received can be lowered if agreed by the General Assembly as a measure to counteract or improve the economic situation of the cooperative.

TABLE 2 | Impact of COVID-19 on psychological outcomes.

	Which of the following outcomes has been most NEGATIVELY affected for you during COVID-19?	Which of the following outcomes has been most POSITIVELY affected for you during COVID-19?
Satisfaction	26.0%	5.0%
Motivation	21.0%	14.0%
Commitment	0.0%	45.0%
Trust	19.0%	14.0%
No answer	33.0%	21.0%

everyone in his/her own way, and also as a cooperative, using our resources, showing solidarity with our colleagues. . .”

Motivation and trust were also outcomes the participants felt had been most positively affected in their case.

"trust, in the sense that the work will get done even though the employees aren't there physically"

"I had chosen trust, but they (motivation and trust) were also factors. . .maybe more in the company, and it was a general comment. . .It's when there are blows like this that you realize the value of the company you work for. . ."

"insofar as remote working, I think we've been able to see that the commitment of the employees and the mutual trust amongst them and as a team has been considerable. . ."

"I've felt motivation to come to work every day, whenever we could come, the fact that we still have a job. . .that's good motivation"

However, in this case too, 22% of those surveyed did not respond, as they considered that none of the possible answers aligned with the factor they personally felt had been most POSITIVELY affected during the COVID-19 period. Empathy was mentioned as another outcome that had varied positively.

"and something that was not among the answers and that for me has been very enriching is that, in our team, there are people who work remotely, and we have put ourselves in their shoes and we've learned about the implications of other forms of work, and it has been a way of empathizing, totally"

Another topic that was addressed among the participants was the emotions experienced during the COVID-19 period. In this regard, we observed a disparity in the results. For example, 14 people experienced fear as employee-members during COVID-19, while 13 lived through it in a calm way.

There was talk of tranquillity in both the economic-business and personal spheres.

"from almost the beginning we could see that, as soon as things got going again there was demand from the market, so in the end that was calming; and, in terms of the work itself, it was evident that the work was getting done. . . from a lack of tranquility, which there might have been in the days when we didn't really know what was happening. . .it lasted a very short time. . .there was tranquility because all the data proved things were going well"

"I've been calm enough. at home the norms have been complied with, and at work too. . ."

In contrast, the employees who recognised having experienced fear were referring to the personal, family sphere.

"I was scared because this is such a shocking thing that has come out of nowhere that. . ."

"I was afraid and stressed, because living in such a small apartment, with the kids, not being able to go and see the grandparents,. . . it was crazy"

"fear of the unknown. . . in the end everything was scary"

"I was afraid, but because fear is irrational. . . and then there was the uncertainty of each day. . . to cope with uncertainty is very complicated"

"yes, I also felt afraid, and anxious. . .to a certain point yes. . .most of the day I was calm, but yes. . ."

"with me it's fear, it's not that I feel mentally blocked, but. . .perhaps it's more apprehension, but. . ."

Those that chose anxiety or stress were generally referring to their personal life, rather than work.

"I've chosen anxious because of the whole situation we had with construction projects. . .plus, you had to go out, you were on site with 100 people who had travelled there on public transport. . .and then you went home and. . .you'd think to yourself, "What do I do? Do I change out of my clothes before I go in?". . .I know, you're not in a hospital, but in the end. . .you ask yourself "Could I have been infected?"

"in terms of work. . . stressed"

"I've been anxious. . .in general, a bit, with the family,. . . but I also have relatives who live alone. . . and that creates anxiety. Or it could be fear too. . ."

Again, some of the people who had not voted said they had experienced the COVID-19 period with uncertainty and with a sense of not knowing what to expect.

"I'd say it was uncertainty with me. . ."

"I put fear, but you don't really live in fear, it's uncertainty, really. More than anything because of those around me, not me personally. . .I've had that worry, it isn't fear. If I chose fear, it's more to do with personal factors."

"I didn't vote, for example, because I haven't been anxious, or afraid. . .I've been a bit on edge about what was happening"

In conclusion, it seems that satisfaction, motivation and trust are outcomes that have been valuated more negatively

during the pandemic. Some of the participants mentioned the uncertainty and the anxiety suffered when talking about psychological outcomes. In relation to the most positively valued psychological outcome, the one that stands out is the commitment: commitment among colleagues, commitment with the economic situation of the cooperative, solidarity with colleagues and with the cooperative itself.

With regard to the emotions that arose during the period, some people experienced it with tranquility, while others said that they had experienced fear, but mainly in relation to the family environment and not to the work environment.

DISCUSSION

At both the qualitative and quantitative level, we have found evidence that COVID-19 has affected differently employees' perceptions of their PDM on three levels: in their individual job, in their department or business unit, and in strategic decisions. The distinction among the levels of the PDM settled by Bernstein (1976b), Albizu et al. (2005), Baniandrés and Larrinaga (2013) and Eurofound (2013) is appropriate as it has been observed that COVID-19 has affected such levels in a differentiated manner. In this regard, although the majority of employees perceive that COVID-19 has had a slightly or no effect in their PDM, it is striking that the 80% of the employees perceive that IC, that includes channels where employees participate, has been considerably/somewhat affected. Therefore, we could conclude stating that COVID-19 has affected PDM fundamentally through the communication channels.

In UAS, participation in one's job has been related with interpersonal communication. And the perceptions gathered in the focus groups can be interpreted as negative, where there is a lack of relationship, and therefore interpersonal communication. In this sense, in the job level, the participants linked their PDM with the digitalization and remote working imposed by COVID-19 (DeFilippis et al., 2020).

Regarding to the department/business unit and in particular, BC employees, taking into account that the monthly meetings are not held, employees perceive that the absence of channels leads to a perception of a lack of information. Moreover, there is a feeling of not being heard due to the lack of effective communication channels with those responsible. We can conclude that due to these circumstances, the perception of PDM seems to have been deteriorated.

Referring to strategic decisions, among others, Wegge et al. (2010) and Weber et al. (2020) suggest that employees can participate directly or indirectly, through representative channels, in the organisations. In this regard, the participants perceive that there is a need to improve the closest and most operational and frequently used channel, such as the social council constituents' meeting, especially from the point of view of the BC workers. Employees miss such meetings. Indeed, among other channels, information related to the cooperative is transmitted via the social council constituents'meeting, and if such meetings are not held, the possibility of interaction and participation is lost.

However, the holding of informative talks in smaller groups has led to the conclusion (by the Social Council) that participation in certain channels has improved. There is a positive perception of the effort made by the cooperative to hold the General Assembly online after holding small informative talks which has strengthened participation in the cooperative's highest decision-making body. The strengthening of participation of members of the cooperative in the supreme decision making body, where each member has one vote regardless the contribution made, supports the idea that the main democratic channel has to function even in a pandemic and uncertainty context. Thus, in UAS, worker-members could participate in organizational and governance processes (Harrison and Freeman, 2004) also during the COVID-19 era.

Moreover, it can be said that the perception of PDM is directly connected with the celebration, or not, of both governance channel meetings and day-to-day meetings (e.g., social council constituents'meetings, informative talks, department/business unit meetings…); in other words, with the efficiency of all these channels.

In conclusion, in this case, we have found evidence that the PDM in certain channels has deteriorated due to COVID-19 and this conclusion can be linked with the degeneration thesis that is being discussed within the cooperatives. However, in this particular and exceptional situation, UAS has implemented regeneration initiatives in order to celebrate successfully the meeting of the supreme body of the cooperative, that is, the General Assembly. Moreover, the employee-members also make some proposals to foster PDM in this COVID era that can be seen as regeneration initiatives. Therefore, as it stated in Bretos et al. (2020), degenerative and regenerative tendencies can occur simultaneously in the cooperative because as demonstrated, the cooperative has mechanisms and resources to revitalize democracy.

Furthermore, on the three levels, perceptions about the effect of COVID-19 on PDM are manifested as a disparity of opinions, and belonging to one labour category or another – BC versus WC – is a defining element. Therefore, job classification is a key point as in Hu et al. (2010), Arregi et al. (2018), and Belategi et al. (2019).

When employees were questioned about the psychological outcomes most negatively affected by COVID-19, there was not a predominating outcome. However, it is worth mentioning uncertainty as an outcome highlighted by those who did not identify with any of the proposals (satisfaction, motivation, trust). In this sense, we should underline that this outcome is not a trivial one in the era of COVID-19, as studies (Rettie and Daniels, 2021; Reizer et al., 2021) indicate that intolerance to uncertainty has constituted a significant risk factor for mental and psychological distress during the COVID-19 outbreak.

With respect to the outcomes that have been affected positively, there has been a clear boost of commitment among the employees, which is linked to the effort that each person has made within the company as a result of the pandemic. The commitment of employees in the current situation derived from the COVID-19 outbreak has become one of the utmost prominent primacies for human resource departments (Chanana, 2020); in fact,

commitment has been shown to foster employee performance (Adhitama and Riyanto, 2020). Although commitment is not one of the first outcomes to take into account when preparing for and combating against the new challenges raised by the pandemic, it is relevant to highlight that the academic sphere has demonstrated a correlation between the commitment of employees and mental health, causing for example insecurity, confusion, emotional isolation and stigma for employees in times of uncertainty (Pfefferbaum and North, 2020). In the present case study, in contrast to that shown by other research (Jung et al., 2021), there is an evident perception among employees that COVID-19 has not had negative effects on commitment, and that, rather than deteriorating, it has been strengthened. The commitment among colleagues, with the economic situation of the cooperative, solidarity with colleagues and with the cooperative itself shown by participants can be a sign of robustness and regeneration, since socially-oriented targets prevail over profit ones. One of the possible reasons that can explain the positive perception of commitment is that UAS has guaranteed, as far as possible, workplace democracy.

Lastly, with respect to their experience as employees/employee-members during COVID-19, those who mentioned "fear" have done so from a family/personal perspective, while those who have identified "anxiety" and "stress" as outcomes have generally done so with respect to work. In contrast, a perception of tranquillity has been transmitted from both the professional and personal spheres. According to the literature available, all these feelings and emotions are fruit of the pandemic. Indeed, as a result of the changes brought about by COVID-19, employees' anxiety, stress (Rossi et al., 2020; Sahni, 2020), risk perception (Baldassarre et al., 2020; Dryhurst et al., 2020; Wise et al., 2020), and anxiety regarding isolation, stigma and discrimination have all increased significantly. Evidence shows that this stress has been caused by new factors, such as the threat represented by the virus to health and life itself, the restrictions and recommendations implemented by the authorities (home confinement), isolation and lack of social support (Irigoyen-Camacho et al., 2020).

CONCLUSION

In this article, with the aim of filling in the gaps detected in the theoretical framework, we have employed the case study methodology and analyzed the quantitative and qualitative data that it provides. Although we do not claim to be able to generalize regarding the results and conclusions, as each company/business has its peculiarities and nuances, the data obtained as a result of our research are relevant in terms of constructing arguments, forming interpretations and gaining insight into experiences, and can be of use to future research in democratic enterprises in this new era.

In our case study, PDM has been affected by COVID-19. With regard to the day-to-day meetings and governance channels, although there are improvements and changes that still need to be implemented, the cooperative has responded well by continuing the work of its most important body, the General Assembly, with positive results.

The findings reveal differences between BC and WC employees that are proof of the need for academics to perform research that seeks to explain employees' perceptions with respect to the work they do and how they participate.

It is well-known that academics have studied the phenomenon of MONDRAGON and that exists a discussion about the dilemmas and paradoxes arising from the PDM (e.g., Greenwood and González, 1991; Stohl and Cheney, 2001; Cheney, 2006; Azkarraga et al., 2012; Agirre et al., 2014; Errasti et al., 2016, 2017; Bretos et al., 2017, 2020). With this article, we provide another evidence to this discussion about the PDM in MONDRAGON. Our research has found, on the one hand, that degeneration and regeneration tendencies can occur simultaneously in a cooperative and on the other hand that UAS has mechanisms to regenerate the workplace democracy. The study has also focused, in the different perceptions of WC and BC, topic that had not been included in the previous literature.

Our psychological results revolve around commitment to the cooperative and uncertainty. The positive effect of this situation on perceptions of commitment is of note. An interesting line of research in the future would be to analyze if this is a specific effect of this company, of cooperatives in general, or of companies that have resumed their activity following an initial period of closure. And in case this phenomenon applies to other companies, it would be interesting to research about which are the antecedents and consequences of it. With respect to uncertainty, this outcome is more associated with life in general, and with the global climate of uncertainty, than with the work sphere specifically.

The health crisis has represented a turning point in the field of human resources and has made patent once more the need to treat employees as a central and fundamental element of an organization. COVID-19 has implied a change in our understanding of employee participation, an important and central aspect in democratic organizations.

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

AUTHOR CONTRIBUTIONS

All authors listed have made a substantial, direct, and intellectual contribution to the work, and approved it for publication.

SUPPLEMENTARY MATERIAL

The Supplementary Material for this article can be found online at: https://www.frontiersin.org/articles/10.3389/fpsyg.2022.744918/full#supplementary-material

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Participation and Organizational Commitment in the Mondragon Group

Alfonso Rodríguez-Oramas[1], Ana Burgues-Freitas[2]*, Mar Joanpere[3] and Ramón Flecha[1]

[1] Department of Sociology, University of Barcelona, Barcelona, Spain, [2] Department of Sociology, University of Granada, Granada, Spain, [3] Department of Business Management, Rovira i Virgili University, Tarragona, Spain

The scientific literature has shown Mondragon Corporation (MC), with 65 years of history, as a clear example that cooperativism can be highly competitive in the capitalist market while being highly egalitarian and democratic. This cooperative group has focused on its corporate values of cooperation, participation, social responsibility, and innovation. Previous scientific research reports its enormous transformative and emancipatory potential. However, studies on the effects of various types of worker participation on competitiveness and workers' psychological wellbeing in this cooperative group exist to a lesser extent. Specifically, one aspect that needs further empirical research and that represents a competitive advantage for Mondragon is the degree of commitment and emotional attachment that can be observed in the people who work there. For this reason, this article aims to identify key elements of the democratic participation of workers in these cooperatives that relate to the development of organizational commitment. Based on a communicative and qualitative approach, data collection included 29 interviews to different profiles of workers (senior and junior workers, members and non-members of the cooperative, and researchers involved in the cooperatives) from eight different cooperatives of the Corporation. Through this research methodology, the participants interpret their reality through egalitarian and intersubjective dialogue because their voices are considered essential to measure the social impact. This study found three different ways in which the democratic participation of worker-members in management and ownership contributes to developing affective organizational commitment among those working in Mondragon cooperatives, generating positive psychological and economic outcomes for both workers and cooperatives.

Keywords: Mondragon Corporation, worker cooperatives, organizational commitment, participation, psychological wellbeing, organizational democracy

INTRODUCTION

Worker cooperatives represent a democratic alternative to the traditional mainstream model of creating value and organizing work. In them, workers are highly involved in labor and capital, mainly through shared equity and participation in decision making at all levels (Cheney et al., 2014). According to the literature, cooperatives and worker-owned enterprises that combine employee

involvement and ownership can match or even exceed the productivity of conventional enterprises (Bradley et al., 1990; Bartlett et al., 1992; Doucouliagos, 1995; Logue and Yates, 2006; Artz and Kim, 2011). At the same time, cooperatives provide greater job security, particularly during times of crisis (Birchall and Ketilson, 2009), often report higher pay and benefits relative to conventional firms when they succeed in a particular industry (Artz and Kim, 2011), and contribute to dignify working life and reduce poverty (Logue and Yates, 2006). Furthermore, worker cooperatives can create some stress and demand specific emotional labor due to the complexities of their democratic organization. But compared to conventional firms, they usually offer greater emotional freedom and a more comprehensive range of genuine emotional displays (Hoffmann, 2016). For these and other reasons, cooperatives are broadly considered a factor promoting their communities' economic and social development (Johnstone and Lionais, 2004; Erdal, 2011; United Nations General Assembly, 2017).

The Mondragon Corporation (MC) is the largest and most successful group of cooperatives globally (Wright, 2010; International Co-operative Alliance, 2012), a clear example that worker cooperatives can be competitive in the capitalist market, egalitarian, and democratic. The group comprises more than 200 firms, 96 cooperatives and employs more than 81,000 people worldwide (Mondragon Corporation, 2021). MC is the leading business group in the Basque Country, where its headquarters are located, and one of the largest in Spain, having sales in more than 150 countries. In 2003, Fortune magazine ranked one of the best places to work in Europe due to the working conditions, absence of hierarchical atmosphere, equality, and personal decision-making capacity, among other aspects. Unlike most worker cooperatives, which are rare in capital-intensive sectors such as domestic appliances and industrial machinery (Dow, 2003), the Mondragon cooperatives have a presence in the finance, industry, retail, and knowledge sectors (Mondragon Corporation, 2020). Furthermore, MC has successfully managed to overcome economic recessions and internal challenges while continually expanding since its inception back in 1956, remaining committed to democratic work practices and dedication to local communities where they have a presence (Cheney et al., 2014).

The characteristics of the democratic model of MC and its relation to its economic and social success have long interested the scientific community (e.g., see Meek and Woodworth, 1990; Moye, 1993; Taylor, 1994; Whyte, 1995; Cheney, 2002; Mintzberg, 2009; Campbell, 2011; Redondo et al., 2011). However, one aspect that needs to be explored in more depth is the impact of the democratic participation of MC worker-members on their affective organizational commitment (Allen and Meyer, 1996), a factor that may represent a competitive advantage for the cooperatives (Agirre et al., 2014). Previous research has pointed to generalized satisfaction among worker-members of MC, particularly among highly qualified professionals who could earn more in traditional mainstream companies but who instead decide to remain in Mondragon (Flecha and Santa Cruz, 2011). Consistent with this assertion, there is evidence showing how the organizational commitment of MC workers may be caused by the democratic management model implemented in those cooperatives (Agirre et al., 2014). This management model relies on decentralizing and distributing power, promoting employee participation in decision-making, and implementing a quality-based management based on cooperative principles. Similarly, studies have found that organizational democracy positively impacts value-based commitment (Weber et al., 2020). Besides, workers are less likely to leave their companies due to job demands in worker cooperatives than in traditional mainstream companies (Park, 2018). However, more empirical research is still needed to fully understand how the democratic participation and involvement in the Mondragon cooperatives may lead to enhanced organizational commitment of their workers.

This article aims to contribute to fill this gap in the literature by presenting the results of a qualitative study carried out in MC cooperatives, which focused on identifying ways in which the democratic participation of workers in management and ownership influences the development of affective organizational commitment. The evidence presented suggests that participation in management increases the identification of worker-members with the governance of the cooperative (i.e., the democratically elected members of the governing bodies and the leadership of the company) and promotes involvement of the worker-members in decision-making at the highest level which increases their understanding of the business and empathy toward the management. Participation in ownership appears to generate emotional attachment to the cooperatives as worker acknowledge themselves as co-owners of the cooperatives and part of a collective business effort. In sum, participation in management and ownership appears to generate identification with, involvement in, and emotional attachment of workers to their cooperatives, all of which are elements that relate to the definition of affective organizational commitment (Allen and Meyer, 1996).

In the following, the article begins with a brief review of scientific literature on the relationship between organizational commitment and organizational democracy is reviewed. Then, the types of participation and involvement of workers that exist in MC cooperatives are contextualized. Third, the methodology followed is presented in detail. Fourth, the study's main findings are presented in three main sections. Finally, conclusions are presented drawn from the findings, as well as a critical discussion about them.

ORGANIZATIONAL COMMITMENT AND ORGANIZATIONAL DEMOCRACY

The leading concept of organizational commitment, which emerged three decades ago as a construct related to the study of work attitudes and behavior, is defined as "a psychological link between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization" (Allen and Meyer, 1996). According to this conceptual model, the psychological linkage between

employees and their organizations can take three distinct forms (Meyer and Allen, 1991): *affective commitment*, which refers to identification with, involvement in, and emotional attachment to the organization; *continuance commitment*, which refers to commitment based on the employee's recognition of the costs associated with leaving the organization; and *normative commitment*, which refers to commitment based on a sense of obligation to the organization. In other words, employees may decide to remain with an organization because they want to (affective), because they have to (continuance), or because they ought to (normative) (Allen and Meyer, 1996).

While all three forms of organizational commitment correlate negatively with withdrawal cognition and turnover, they differ in the way they correlate with organization-relevant and employee-relevant outcomes: affective commitment has been found to have the strongest positive correlation with attendance, job performance, and organizational citizenship behavior, and to be negatively correlated with stress and work-family conflict; besides, affective commitment correlates strongly with job involvement, occupational commitment, and, most vital of all, job satisfaction (Meyer et al., 2002). Thus, of the three forms of organizational commitment, affective commitment has the most positive consequences for employees, just as it does for employers (Meyer and Maltin, 2010). From the point of view of the firms, affective commitment represents a competitive advantage. When employees want to remain in the organization and believe it is the right thing to do, they tend to be happier, more satisfied, more self-directed, healthier, more engaged, and more willing to exert discretionary effort on behalf of the organization (Meyer et al., 2012).

In the last decade, a large body of research has widely studied the correlation and interaction of organizational commitment with numerous psychological variables in conventional organizations and capitalist firms (e.g., Morin et al., 2011; Farooq et al., 2014; Choi et al., 2015; Kim et al., 2016; Meyer et al., 2018; Yao et al., 2019). However, democratic workplaces and democratic organizations have received far less attention on this matter. Notable exceptions are the studies that have analyzed the relationship between organizational democracy and different psychological and behavioral outcomes, including affective and normative commitment (e.g., Weber et al., 2009, 2020; Unterrainer et al., 2011). The term *organizational democracy* is referred to as an on-going, broad-based, and institutionalized employee participation that is not *ad hoc* or occasional in nature (Weber et al., 2009). In a recent meta-analysis of psychological research on organizational democracy, Weber et al. (2020) used three indicators of this construct: (1) *Structurally anchored employee participation in organizational decisions* (SAEP), focused on the organizational decision structure, distinguishing among several types of enterprises according to a typology that ranges from hierarchically structured enterprises to self-governed employee-owned firms and worker cooperatives; (2) *Employee participation in collective ownership* (EO), focused on the property situation, encompassing two variants: whether an employee possesses ownership shares of the company or not, and the number of his/her ownership shares; (3) *Individually*

perceived participation in organizational decision making (IPD), focused on the participation of individual employees, reflecting the degree of employees' *actual* and *direct* participation in strategic or tactical decision making as perceived by themselves. According to their findings, value-based commitment [an aggregate of affective and normative commitment derived from Meyer et al. (2006)] is positively influenced by all three indicators of organizational democracy almost to the same extent. Additionally, the authors found that IPD partially mediated the positive effects of SAEP and EO on value-based commitment, showing the specific relevance of workers' direct involvement in strategic and tactical decisions for promoting positive forms of organizational commitment.

Only a handful of studies have analyzed aspects related to organizational commitment in worker cooperatives. However, none have analyzed the relationship between the democratic participation of worker-members and the development of organizational commitment. A study of French agricultural cooperatives concluded that members participate in the governance of their cooperative when they are attached to it affectively and trust the directors (Barraud-Didier et al., 2012). Another study in cooperatives in Ecuador found that certain variables related to job position such as higher salary levels, involvement in strategic management (specifically being an executive), or temporary contracts all had a significant and positive relationship with organizational commitment (Hidalgo-Fernández et al., 2020). In a comparative analysis between worker cooperatives and capitalist firms in South Korea, Park (2018) found that the increase in job demands and workloads in cooperatives did not seem to reduce the organizational commitment of their members, most likely because they are provided with greater autonomy, organizational support, decision-making participation, and social support as compared to their capitalist counterparts. The only study on MC cooperatives is that of Agirre et al. (2014), which found that decentralization and participative decision making, both critical components of Mondragon's management model, have a significant influence on worker's organizational commitment. Additionally, the authors found that organizational commitment in MC cooperatives has a positive albeit indirect influence on business performance through its impact on the market orientation of the cooperatives (i.e., the generation and distribution of market information and subsequent response to it).

In retrospect, research on organizational commitment has made significant contributions in areas such as behavioral sciences and organization studies. The universal character of the construct allows the replication of quantitative research methods in various types of organizations, as is the case of the studies on worker cooperatives described above. To strengthen this fruitful area of investigation, researchers could complement the existing quantitative studies with qualitative analyzes that allow them to recover the voices and interpretations of the investigated subjects. This would contribute to broadening scientific knowledge about the processes that underlie the development of organizational commitment in organizations and its interaction with diverse psychological and social variables.

WORKERS' PARTICIPATION IN MONDRAGON CORPORATION COOPERATIVES

Participation in Management

The worker cooperatives are the base level of organization in MC. In them, workers have multiple opportunities to extensively participate in decision-making processes of issues that are transcendental to the cooperatives' trajectory and their own work life. The democratic participation in the management of worker-members takes place through specific governing bodies shared by all Mondragon cooperatives (see Forcadell, 2005, p. 260–261). At the top, composed of all worker-members, the General Assembly is the supreme authority of the cooperative, which gathers at least once per year to approve strategic plans, nominate the Governing Council, the Audit Committee, and the Social Council. Every member of the cooperative can vote in the General Assembly, and their votes are weighted equally. The Governing Council is a group of up to twelve worker-members elected for 4-year periods. It is in charge of presenting the annual operational plan for approval to the General Assembly, nominating the managers of the cooperative, and periodically monitoring their performance to assure that the company's management complies with the directives of the General Assembly. The Audit Committee audits all the accounts presented to the General Assembly and obtains supplementary information when required by the cooperative members.

The governing bodies mentioned above assure workers' participation in management in the form of control instead of directly making management decisions (Campbell, 2011), which are the responsibility of the Manager and the Management Committee, a consultative body of managers of the cooperative. Along with them, another body called Social Council represents the worker-members before the authorities of the cooperative, having an advisory character to the Governing Council, and acts as a labor union and a communication channel between management and workers (Forcadell, 2005). Their co-workers directly elect the representatives of the Social Council, and the issues that they address include working conditions, compensations, remunerations, social security, and many other social topics (Campbell, 2011). Additionally, each member of the Social Council organizes individual meetings with the workers that they represent, called Small Councils, where all the issues mentioned above are discussed in-depth (Altuna, 2008).

Participation in Ownership

As worker-owned enterprises, the MC cooperatives are characterized by high levels of participation of their workers in decision-making processes and equity through individual participation of their members in ownership. Once they are eligible for membership and contribute their respective share of capital to the firm, workers acquire a series of obligations toward the cooperative, including participating in democratic processes of the cooperative and taking part in economic losses when applicable. In addition, they obtain rights such as

participating and voting in decision-making processes, being eligible to become part of governing bodies, and participating in the cooperative's profits. Of any given MC cooperative, not more than 20% of its workforce are non-member workers, and temporary contracts cannot last more than 5 years, as set by local regulations for worker cooperatives in the Basque Country (Altuna, 2008; Flecha and Santa Cruz, 2011).

In recent years CM has carried out different actions to replicate its successful cooperative model abroad. It includes the creation of mixed cooperatives and the implementation in its subsidiaries of its Corporate Management Model to promote the dissemination of democratic organization practices and participatory management (Flecha and Ngai, 2014), or the collaboration between MC and the United Steelworkers Union in the United States to develop a union co-op model based on the values of worker ownership, collective organization, democracy, and solidarity (Schlachter, 2017).

Tensions and Contradictions in a Context of International Growth

The extent to which MC cooperatives maintain their cooperative values and assure workers' participation as they grow and compete in international markets has been the subject of discussion in the past decades. A good part of the analyses has been framed within the *degeneration vs. regeneration* debate (Cornforth, 1995). The degeneration thesis (Webb and Webb, 1921; Meister, 1984) states that to survive worker cooperatives gradually and inevitably adopt organizational practices and priorities that erode the democratic participation of workers in decision making, thus becoming increasingly capitalist. In contrast, several authors that criticize such a deterministic stance state that worker cooperatives can maintain their original nature in the long-term, since worker-members can set up regeneration processes that contribute to restoring democratic, participative, and social functioning (Batstone, 1983; Rosner, 1984; Hunt, 1992; Cornforth, 1995).

A number of recent studies have criticized degenerative processes that have eroded the democratic participation of workers in MC cooperatives, although in some cases also acknowledging efforts in the opposite direction. For instance, Heras-Saizarbitoria (2014) states that Mondragon's basic cooperative values such as democratic organization, participatory management and education have become decoupled from worker's daily activity, and that the principle of secure membership and employment is the only one that encourages "most workers to remain quiet and compliant in a system that gives them limited ways to participate." On a qualitative study of Fagor Ederlan, an MC multinational worker cooperative, Bretos et al. (2018) found that international growth contributed to lessen worker-members participation in favor of managerial control. Similarly, during its expansion period, Storey et al. (2014) found that Eroski, MC largest retail cooperative, experienced a sharp reduction of its percentage of members, gave greater priority to its economic goals, and suffered from passivity and loss of interest by its members. However, the authors also assert that the economic crisis in the

post-2008 period played an essential role in the re-emergence of cooperative practices in the cooperative, as members showed an increasing desire to be informed, attend meetings and actively take part in decision-making committees and governing bodies. In a study of Fagor Ederlan, Fagor Electrodomésticos, and Maier Group, Bretos et al. (2020) state that those cooperatives have developed interesting regeneration initiatives such as cooperativizing some of their domestic subsidiaries, updating and institutionalizing cooperative education and training for managers and members of the governing bodies, and revitalizing certain employee voice structures. However, the authors emphasize that the cooperatives have kept growing through the acquisition of capitalist firms. Participation in their work areas continues to be shaped by dominant, managerially controlled systems, and education and training offered to rank-and-file worker-members suffer from a systematic deficit. It suggests that regeneration and degeneration are not mutually exclusive and can occur simultaneously.

Transferring the democratic participation of workers in management and ownership to subsidiaries of MC cooperatives has also been the subject of debate. While MC has been criticized for prioritizing the transfer of shallow, managerially oriented forms of workers' participation (Bretos and Errasti, 2017), research also suggests that some worker cooperatives have taken interesting steps toward "cooperativizing" their subsidiaries. They include the transformation of Eroski hypermarkets into cooperatives (Arando et al., 2015), the transformation into mixed cooperatives of some subsidiaries of Maier Group (Flecha and Ngai, 2014), the creation of a mixed cooperative subsidiary by Copreci, or the integration as production plans of Fagor Ederlan's subsidiaries Automoción and Victorio Luzuriaga Usurbil with the inclusion of their workers as members of the parent cooperative (Bretos et al., 2020). However, according to research MC cooperatives have been less successful in transferring their cooperative model to their subsidiaries abroad. Bretos et al. (2019) state that Fagor Ederlan and Fagor Electrodomésticos became "capitalist" firms composed of a cooperative headquarter in their multinational expansion and a capitalist periphery of subsidiaries in which cooperative membership rights are restricted for workers.

Similarly, in an analysis of Mondragon's Chinese factories, Errasti (2015) suggests an apparent disconnect between the organization's discourse regarding the encouragement of worker participation in subsidiaries and the practices observed in the Kunshan Industrial Park and concludes by stating that its Chinese subsidiaries do not differ significantly from traditional foreign subsidiaries. In this regard, Flecha and Ngai (2014) suggest that economic aspects, legal difficulties in the destination countries, the lack of a cooperative culture, and a desire to protect investments hinder MC from effectively expanding its cooperative model to its international subsidiaries. Nevertheless, the authors acknowledge that the actions taken by some cooperatives (specifically Maier, ULMA Construction and RPK, a former MC cooperative) to implement a corporate management model in their subsidiaries, albeit limited to one concrete dimension, are valuable first steps toward the objective of expanding the cooperative culture abroad.

MATERIALS AND METHODS

Research Question and Context of the Study

The present study aims to address the following research question: How does the democratic participation of worker-members in management and ownership influence the development of affective organizational commitment in MC cooperatives?

The results presented here build on the research "The Contribution of Competitive Cooperativism to Overcoming Current Economic Problems" (Cooperativismo Competitivo: Aportacions a la sostenibilidad y calidad del empleo en el momento económico actual) (CREA, 2012–2014), funded by the Spanish Ministry of Science and Innovation through the National R&D Program. The two main objectives of the R&D project were, first, to identify successful practices developed by worker cooperatives that improve the quality of work, particularly of the groups that suffer greater vulnerability; and second, to identify the possibilities of transferring those successful cooperative actions to other companies and other territories. For that purpose, numerous case studies of Spanish worker cooperatives were carried out, as well as four cross-sectional studies to identify and analyze elements that have a positive impact on the quality of work and life of different groups such as: women, young people, people with low qualifications and people with disabilities.

The study presented below corresponds to a subset of the project's field work. Specifically, 16 interviews corresponding to two in-depth case studies of the Alecop and Maier cooperatives are used in this study. In addition, with the aim of achieving a better understanding of the matter, the field work was complemented with 13 interviews of workers from six additional MC cooperatives: Fagor Automation, Laboral Kutxa Mondragon University, Orona, ULMA Architectural Solutions-Polymers, and ULMA Group. **Table 1** shows the distribution of interviews carried out for this study.

Data Collection and Analysis

This study was carried out using a qualitative methodology, which allows delving into routines, problematic moments and the meaning in the lives of individuals (Denzin and Lincoln, 2011). Specifically, the research was developed using the communicative

TABLE 1 | Distribution of communicative interviews.

Sector	Cooperative	Participants
Finance	Laboral Kutxa	1
Industry	Fagor Automation	2
	Maier	7
	Orona	1
	ULMA Architectural Solutions–Polymers	1
	ULMA Group	2
Knowledge	Alecop	9
	Mondragon University	6
Total:		29

methodology (Gomez, 2021), which aims not only to describe social phenomena but also to provide scientific evidence of how social realities can be changed. In this methodology, researchers establish an egalitarian dialogue with the people investigated throughout the research process, searching for a common understanding of the reality based on validity claims. During the interviews, researchers bring to the dialogue the scientific evidence on the subject in question while the participants contribute with their daily life knowledge and experience. The joint interpretation of reality on an egalitarian level allows the identification of relevant topics that would not otherwise emerge in the research, and the active participation of the people whose reality is being studied increases the social impact of such research (Gómez et al., 2019). In the field of psychological research, this methodology has proven useful for generating scientific knowledge with substantial potential to improve peoples' lives (Redondo-Sama et al., 2020).

In this study, to ensure a broader understanding of the reality, it was sought that the participants of the study had different profiles that allowed achieving a better interpretation of the situation in their cooperatives. The diversity of participants contributes to overcome the biased view of reality that some previous academic studies have offered when studying MC cooperatives derived from unilateral visions of the phenomenon (Morlà-Folch et al., 2021). In our study, profiles of interviewees included senior and junior workers, worker-members and non-members, management staff and members of the governing bodies, and researchers involved in the university of the corporation. Specifically, **Table 2** details the profile of the people interviewed.

Regarding the two in-depth study cases carried out in Alecop and Maier, first, an informant in each cooperative was contacted to access the interviewees. In the first conversation, the research and its objectives were explained. Then, the contacts of people who might be interested in conducting the interviews were facilitated. Regarding the complementary interviews, a snowball sampling was carried out, in which informants who were not designated by the cooperatives facilitated the contact of various workers of MC cooperatives.

The interviews followed a semi-structured protocol with themes that emerged from the literature review designed to explore the relationship between the democratic participation of worker-members in management and ownership with the development of organizational commitment in the cooperatives. During the dialogue, the researcher presented the scientific evidence available, and the interviewees contributed their points of view on those investigations from their daily life knowledge. The conversations were open and allowed the interviewees to expand on the topics they wanted, offering time to discuss those issues that they considered most relevant, some of which were not considered initially. The interviews took place at the site the interviewees decided on to ensure comfort with the conversation. For this reason, some interviews took place in the workspaces of the cooperatives, while others took place in other spaces suggested by the interviewees.

The interviews were conducted between 2012 and 2014. The average duration of the interviews was approximately 1 h, but in no case did the interviewer limit the time of the interview. All were recorded and transcribed verbatim for their analysis. All participants involved in the study provided either verbal or written consent agreeing to participate in the research. They were also informed about their right to leave the research and remove their data from the analysis at any time if they wanted. The study was approved by the Ethics Committee of the Community of Research on Excellence for All (CREA) with the number 20211031.

For the analysis of the interviews, a first screening was carried out. All quotations that indicated a relationship between democratic participation of workers in MC cooperatives (i.e., participation in management and participation in ownership) were identified. In a second step, those quotations were classified following the next analysis chart (see **Table 3**). Based on the communicative methodology, the chart differentiates between transformative and exclusionary dimensions of three categories of analysis.

The results of the analysis were then classified into three final categories:

- *Identification with the democratic governance of the cooperative*, containing evidence of grassroot democracy underlying the process of election of members for the governing bodies.
- *Involvement in management that enhances understanding of the business*, containing evidence of learning processes that take place as worker-members participate in the governing bodies.
- *Emotional attachment to a co-owned business effort*, containing evidence of enhanced motivation and

TABLE 2 | Characteristics of interviewees.

	Description	Participants
Gender	Male	16
	Female	13
Position	President of the cooperative	1
	Manager of the cooperative	1
	Former Manager of the cooperative	1
	Human Resources Manager	1
	Member of the Governing Council	3
	Member of the Social Council	2
	Worker-member	9
	Worker-member, researcher	3
	Worker-member, student	4
	Worker, not member	4
Total:		29

TABLE 3 | Analysis chart.

Categories of analysis	Exclusionary dimension	Transformative dimension
Emotional attachment to the cooperative	1	2
Identification with the cooperative	3	4
Involvement in the cooperative	5	6

engagement of workers that acknowledge themselves as co-owners of the company.

The quotations presented in the following section represent the findings that had consensus among the interviewees. No major differences in the basic interpretation of the phenomenon were identified. However, some differences between the answers of worker-members and temporary workers are specified. Only in some specific cases, the interpretations varied, which was specified in the description of the results.

RESULTS

Our data analysis suggests that the democratic participation of worker-members in MC cooperatives (in management and ownership) contributes to developing affective organizational commitment in at least three ways. First, worker-members feel identified with the cooperative's governance since they postulate and democratically elect the colleagues they trust to be part of the governing bodies. Second, as worker-members elected for the governing bodies are involved in the most important decision-making processes of the cooperative, they must receive intensive training on the operation of the cooperative and interact with the management staff, which significantly enhances their understanding of the business. Third, worker-members become emotionally attached to their firms as they acknowledge themselves as co-owners of the cooperatives and part of a collective business effort.

Identification With the Democratic Governance of the Cooperative

The democratic functioning shared by all MC cooperatives enables worker-members to participate in transcendental decisions for the cooperative, such as the election of the company's leadership. During the General Assembly, all members vote to choose the president of the cooperative, who simultaneously presides the Governing and Social Councils. The Governing Council postulates the candidates. The General Assembly has the power to elect one or reject the nominees if they consider that none is adequate to preside the cooperative. Through this combination of representative democracy (postulation of nominees by the Governing Council) and participatory democracy (voting at the General Assembly), worker-members have a say in the appointment of the leadership:

> "Normally, we in the Governing Council nominate those who we believe that may like the company, and that we like them [their profile]. And you say, "Ok, it seems to me that he is a good guy." You can nominate 2 or 3 people and then the [General] Assembly decides which one. Or they can censure, and they don't choose any of them. That has happened in [Fagor] Industrial" (*Female; worker-member; Fagor Automation*).

As expressed by this former member of the Governing Council in Fagor Automation, the presidency of the cooperative is not given for granted beforehand the General Assembly takes place. Instead, worker-members have the last word on who may preside over the company. Similarly, the management of the cooperative

must count with and maintain the trust of the worker-members, although the process of choosing and removing when applicable operates indirectly through the action of the Governing Council:

> The manager is elected by the Governing Council, which is the representative of the cooperative. They elect the manager for 5 years, although they can dismiss him/her at any time because it is a position of trust. In this specific case [of our cooperative], this person has been in the job for 10 years now, he was trained in the cooperative, he entered young and climbed positions, and now he is the general manager (*Male; worker-member; Laboral Kutxa*).

As explained above, the general management of the cooperative is considered a position of trust, which means that managers can be removed at any time if worker-members, through their representation in the Governing Council, assess that the direction of the cooperative is not the right one. However, as he also explains, general managers can be re-elected for additional periods if the overall results are considered positive for the cooperative.

It is worth noting that some of the interviewees coincided in pointing out that such trust in the leadership, along with other values such as transparency and honesty, may motivate the worker-members. The following quote showcases this idea:

> The important thing in a company is that people who go to work motivated. (…) So, three key elements of motivation are: transparency, promotion of people, and honesty and credibility. That means that the people who are leading the company are trustworthy, that the managers are trustworthy, that they are honest. In other words, to create a climate of motivation. (…) The advantage of cooperatives is that a person feels better paid within the cooperatives, although they are never satisfied, [and] they feel they participate in the management, because they have transparency and they have information, and they feel that those who manage the cooperative are honest, they are close, and generally feel that they are honest. There will always be criticism, but I think there is honesty and credibility, and that is a bit of the great advantage of the cooperative (Male; former Manager of the cooperative; MAIER).

As seen in the previous quote, this former Manager of Maier emphasized that the perception of having honest and trustworthy leaders is vital for creating a climate of motivation in any company, be it cooperative or capitalist. Furthermore, he asserted that in worker cooperatives, worker-members might perceive the leadership as being more honest, transparent, and close to the workforce than other types of firms.

In that sense, according to the dialogues with the interviewees, it appears that the democratic process through which representatives of the governing bodies and the leadership of the cooperative are elected is a key element that contributes to develop trust and identification with the governance of the cooperative: "*There are advantages in giving a vote to the worker-members of the cooperative because it generates greater commitment in those elected [to form part of the governing bodies] and people identify themselves more*" (*Male; worker-member; ULMA Group*). As suggested by this worker-member of ULMA Group, this process appears to have a double positive effect. On the one hand, it influences the identification of worker-members

with the governance of their cooperatives. Such identification appears to be based on trust, as worker-members themselves nominate and choose the colleagues who they consider most suitable for the positions. On the other hand, being designated by their colleagues for those representative positions potentially increases the commitment of the elected members, as they are backed by their peers throughout the process.

Reinforcing the previous idea, some testimonies from interviewees suggest that the grassroot democracy that underlies the election of members for the governing bodies contributes to their identification with the governance of the cooperative. Specifically, because it assures that people in whom they trust make the most important decisions in the cooperative. This was clearly stated by a college professor and worker-member of the Mondragon University cooperative:

> "It is important that people choose. I mean, we choose among the people those that we see in that position. Then we make a proposal, 'Hey, we would like Pedro.' I think that's good, that in the representation be someone who is trusted. The confidence of saying, 'Look, we trust you and you are in a position where the strategic decisions [of the cooperative] are made.' I think it gives you more peace of mind. I think so" (*Female; worker-member; Mondragon University*).

As showed in the previous quote, the decision to postulate someone to the governing bodies is usually based on recognizing the commitment of a member toward the cooperative and his or her potential to look after the interests of both the business and the workers. In this process, worker-members rarely nominate themselves. Instead, worker-members postulate other colleagues they consider trustworthy and capable of achieving good results in the crucial tasks they will be assigned.

In sum, the evidence presented above suggests that the democratic election of representatives for the governing bodies may increase the identification of worker-members with the governance of their cooperatives, i.e., with the members elected for those bodies and, at least to some extent, with the leadership of their companies.

Involvement in Management That Enhances Understanding of the Business

The democratic process described in the previous section opens the possibility for any worker-member of the cooperative to be potentially elected for the governing bodies despite his or her job position or academic qualifications. Often, the members who join the governing bodies, particularly the Governing Council, lack the basic training required to understand the information at their disposal and make informed decisions. This limitation was clearly explained by this member of the Social Council at ULMA Architectural Solutions-Polymers:

> Normally, the Governing Council is not all engineers or businessmen. There are people who work on the production line, people who have medium training, or even people who have high training. but in the end they are not in contact [with the administration]. For example, there may be people who are not in direct contact with the market and do not have that global perspective of the entire company to say, "this is wrong" or "this

is good." It is not usually a common thing (*Female; member of the Social Council; ULMA Architectural Solutions-Polymers*).

As described above, all worker-members, including those that work on production lines and equivalent positions, are eligible for the Governing Council. Moreover, according to the interviewees, this situation is relatively common. In some cases, like in Alecop, a percentage of seats in the Governing Council (and other governing bodies) is even reserved for university students who work part-time at the cooperative. This situation represents a challenge for all MC cooperatives. They are faced with the need to provide intensive specialized training on cooperative business management to members that join the Governing Council with a wide range of profiles. While the specificities of the training may vary from one cooperative to another, they usually include some type of regulated training on technical matters like the interpretation balances and result accounts, among many other topics, as explained in the following quote of a member of the Governing Council of Maier:

> "That training (…) is a challenge, a huge challenge to provide that. In the end, any member is eligible to the Governing Council, anybody, regardless of their education, and that person will have to make decisions once he/she is there. So, the regulated training is the interpretation of income statements and their values, although that isn't enough, no. [However] you learn during those 4 years in the Council so much! Of course, you have meetings that are only for the Governing Council members, and then you also have meetings with the entire Directorate, the Managing Director, the Human Resources Department. You learn about your own cooperative, the systems, the processes, how it works and how things are done" (*Male; member of the Governing Council; MAIER*).

However, as the previous quote explains, only part of the learning comes from formal training. During the years in the Council, the members learn a great deal from the direct interaction with the entire management staff of the cooperative, which may include the managing director, the finance department, the human resources department, and others. Those interactions are equally important, if not more, in helping the worker-members of the Governing Council to grasp a deeper understanding of the status of the cooperative and the business.

More importantly, joining the Governing Council entails being involved in transcendental decision-making processes for the cooperative such as elaborating the annual operational plan, nominating the management staff, and monitoring their performance. Often, the members' decisions are tough to make, as when cooperatives have needed to find ways of preserving employment at the expense of individual gains during the economic recession. Other times decisions may imply restructuring the cooperative or internationalizing its operation to compete globally. In either case, according to the interviewees, the direct involvement of worker-members in decision-making and management through their participation in the Governing Council radically transforms their understanding of the cooperative and makes them more emphatic with those in charge of managing the company. This idea was expressed by a

college professor and worker-member at Mondragon University as follows:

> "The experience you acquire helps a lot in the training of workers because you see how the company works. That a person who works on a machine has the possibility of being on the governing council and making decisions. that person when he returns to the machine works in a different way. Because he already knows where the company is going and why those decisions have been made, because you are the manager. And you are going to have to make some decisions that not everybody may like. The next time that you aren't in the governing council, but those same decisions are made, you'll also understand, 'Well, I had to make those decisions too.' Even if you are part of the Council only 4 years, that lasts forever" (*Female; worker-member, researcher; Mondragon University*).

Furthermore, as the interviewee emphasizes, the experience of forming part of the Governing Council has a long-lasting impact on the motivation and commitment of worker-members once they reincorporate to their job positions at their cooperatives, since they gain a perspective of the business that they could not have gained otherwise.

Similarly, according to the interviewees' testimonies, the experience of forming part of the Social Council contributes to increasing the business's understanding of those elected for this representative body. Among other responsibilities, the members of the Social Council are responsible for communicating to their colleagues the status of the cooperative, often through monthly gatherings called Small Councils. The information is provided directly by the management of the cooperative and the Governing Council. It may include financial balances, economic forecasts, or any other relevant cooperative updates. This was explained by two worker-members of Fagor Automation, one of whom previously had formed part of the Social Council:

> *Female worker-member*: I understand now. When I see them [the current members of the Social Council] I understand them completely. We always say that each member should give those 4 years in the Social Council to value what it takes them to prepare the document they present every month. I used to prepare slides, "Here you have the economic results, the sales, the most important things that the manager says" every month.
>
> *Male wormer member*: You also understand the balance sheets more.
>
> *Female worker-member*: Yes, that is also positive. You learn and say, "Look, this is the operating income. Look how this affected that." Or the financial manager may come and explain how the dollar affects the operation, because we have subsidiaries outside and there we sell in dollars. You learn those things (*Female and male; worker-members; Fagor Automation*).

As shown in the quote above, the effort that the members of the Social Council put on processing and communicating the information of the business to their colleagues impacts not only their understanding of the business, but also their empathy toward the members of the governing bodies of the cooperative.

In the case of the youngest participants of this study, namely the student worker-members of Alecop who work part-time at the cooperative as they conclude their university studies, their involvement in the governing bodies appears to have had a direct impact on their commitment to the cooperative. Specifically, when asked about her appreciation of the experience as a worker in Alecop, one of the interviewees expressed that she had learned far more about cooperative companies than at the university, since there she had the chance to experience first-hand the democratic functioning of a cooperative:

> The experience is very enriching. (...) I wanted to get involved and I found it very enriching. Both as a cooperative member and as a worker, I mean, as a student that I am. I learnt how a Governing Council works, how you can deal with the manager, how the Management Committee or the Audit Committee work. Until you are inside you really understand how it works. And yes, you see that it really does work (...) I do value it very positively. I actually liked it. I would like to continue working here if it were up to me (*Female; worker-member, student; ALECOP*).

Students who work in Alecop are accepted as cooperative members for as long as their university studies last. Once their studies conclude, so does their status as members in Alecop. Only occasionally do the students continue working in the cooperative, and often they join other cooperative or capitalist firms in the region. Notably, the student above expressed her wish to continue working in the cooperative, derived from her fruitful experience participating in the governing bodies and her interaction with the management staff. While this experience cannot be extrapolated to all student worker-members, it does suggest that involving young and/or temporary workers in the management of the cooperative, for instance, through the governing bodies of the cooperative, may positively impact their affective organizational commitment.

Emotional Attachment to a Co-owned Business Effort

While the evidence presented in the previous sections appears to suggest that democratic participation in the management of worker-members contributes to developing affective organizational commitment through somewhat indirect mechanisms, i.e., identification with the governance of the cooperative (trusting democratically elected representatives and leaders), and involvement in management that increases the understanding of the business (learning and developing empathy by participating in governing bodies), participation in ownership appears to contribute to the development of his type of organizational commitment in a rather straightforward way. When asked, most interviewees agreed on the idea that being a member of the cooperative, which first and foremost entails making an initial capital contribution, has a direct positive impact on the commitment that workers show in their workplaces and toward their cooperatives. This was stated as follows by a worker-member of ULMA Group with more than two decades of experience in the cooperative:

> "You feel the company as yours. To become member, you must put money and that makes a big difference. You notice it with those who are not [members]. They don't have that feeling. It makes you more committed to the cooperative" (*Male; worker-member; ULMA Group*).

As shown in the previous quote, workers develop an emotional attachment to the company as they become members and acknowledge themselves as co-owners. Furthermore, according to this and other testimonies, such feeling is not common among temporary workers, which is to be expected as they have not yet acquired cooperative membership.

Furthermore, testimonies collected show that worker-members are more engaged in their jobs and are more willing to work harder to achieve the objectives of the cooperative when they perceive that they have opportunities to participate, and their voices are listened to. In other words, it appears that the combination of ownership and democratic participation in management, and not the former alone, is crucial for developing the emotional attachment that leads to affective organizational commitment. This was explained by a worker-member of Maier as follows:

> "Because, in the end, if you think that this is really something yours, and that your opinion counts, and that you are listened to and such, the level of involvement and the level of sacrifice that you are willing to assume for something that is yours is much higher than in anywhere else" (*Male; member of the Governing Council; Maier*).

The emotional attachment that interviewees showed in the dialogues was characterized by a recognition that co-ownership is accompanied by shared responsibility. The testimonies reflected an understanding of worker cooperative as a collective project in which both benefits and risks are shared by all members. Different examples given by the interviewees showed how under certain circumstances worker-members are will in to carry out actions that may affect their individual livelihood in the short term, with the objective of strengthening the cooperative in the middle or long-term. A worker-member of Alecop expressed this idea as follows:

> "I believe that for those of us who are in cooperatives, apart from the salary, the cooperative offers you other things: security, [and] you participate in the company, for me that's important. In other words, the day that I need to lower my salary, it will not be because someone else decided it, but because it is necessary. So, when we make money, we all win. And when we lose, we all lose. For me that's a completely different feeling. You have responsibility, you have power and responsibility" (*Female; worker-member; Alecop*).

As seen above at times worker-members may even be willing to take actions such as decreasing their income or taking part of the losses because, as co-owners of the cooperative, they acknowledge their shared responsibility of seeking the best for the company. Similarly, as reflected in other testimonies collected in the study, in difficult times worker-members may be willing to put extra effort into their jobs when needed, even if it requires working extra hours. Not because anyone exploits them, but because they feel part of a collective project in which their individual contribution is important for achieving the collective goals of the cooperative. That feeling of belonging to a shared business effort appears to be a source of motivation, as expressed by a worker-member of the Mondragon University in the following quote:

> "The other day I was talking to a friend, he is a trade unionist working in a traditional company. (. . .) He said that we worked more than 8 h because we wanted to. And we said that no, that here you have goals, and you have to achieve them, if it takes you 7 h as it takes you 10, that is your responsibility. (. . .) My job is to get this done, and that if 1 day I have to work 10 h, then the next day I work 7. But I do it. If I feel part of it. Well, I do feel part of this" (*Female; worker-member, researcher; Mondragon University*).

It is worth noting the difference in feelings that both workers have toward their companies, according to the interviewee's testimony. The worker of the capitalist firm may never consider voluntarily working additional hours because his/her work would indeed benefit the owners but not him/herself. However, the interviewee feels part of the company because she effectively is, and for that reason, she sees no trouble in working extra hours whenever is needed. In other words, she perceives that all the effort put into this job will benefit herself and all the members of the cooperative.

Interestingly, participation in ownership may also impact temporary workers' organizational commitment, albeit not in the form of an emotional attachment to the cooperative. Normally, after completing a 4-year trial period, temporary workers are invited to join as cooperative members if they perform adequately and embrace the cooperative values. According to our findings, the expectations of becoming cooperative members may play a role in motivating workers to be engaged in the cooperative and work hard in their jobs. A temporary worker of Orona explains this idea as follows:

> "People like me with temporary contracts. The fact of becoming a member of a cooperative, like the one in which I am now, is an important step. In the end, becoming a member is better than a temporary contract in these times. You become member of a company that most likely won't go bad, you know? They make you a member and you are part of the cooperative, they can't kick you out. You are part of the company. So that means that during those 4 years people give everything and get involved in the company, to see if they make you a member and they consolidate you. All the people that I know that are my age. Most of them keep working hard after being consolidated as members" (*Male; worker not member; Orona*).

While the previous quote does not reflect emotional attachment to the cooperative, it does suggest that the influence of participation in ownership on organizational commitment may begin years before workers become members of the cooperative, as they engage in the cooperative culture and develop expectations of achieving a similar cooperative status.

DISCUSSION AND CONCLUSION

The Mondragon Corporation (MC) has long interested researchers for being the most explicit example that cooperatives can thrive in capitalist markets while remaining fully committed to democratic values and work practices. One aspect that represents a competitive advantage for MC cooperatives is their worker-members generalized satisfaction and engagement, particularly noticeable among highly qualified professionals

(Flecha and Santa Cruz, 2011). However, the relation between the democratic functioning of MC cooperatives and the organizational commitment of their workers has been studied only to a lesser extent. The present study contributes to fill that gap in the literature by investigating how the democratic participation of worker-members in management and ownership in MC cooperatives influences the development of affective organizational commitment (i.e., emotional attachment to, identification with, and involvement in the organization: Meyer and Allen, 1991). This type of organizational commitment is considered a beneficial psychological state that correlates with positive outcomes both for companies and employees (Meyer and Maltin, 2010). Following a research design based on the communicative methodology (Gomez, 2021), the findings of this study draw from the dialogues with 29 workers of eight MC cooperatives located in the Basque Country, in Spain. The qualitative nature of this study allows complementing, albeit modestly, the vast and fruitful quantitative research on organizational commitment of the past decades.

The results of our analysis suggest that participation in management and ownership contributes to developing affective organizational commitment in at least three ways. First, in relation to participation in management, evidence was found showing that the worker-members interviewed feel identified with the members that form part of the governing bodies of their cooperatives, particularly of the Governing and Social Councils. According to the testimonies, identification originates from the fact that worker-members themselves nominate (for the Governing Council) and choose (for the Social Council) colleagues who they rely on and trust for those representative positions. This democratic process generates a feeling that trustworthy people are in charge of making the most important decisions for the cooperative, such as appointing and monitoring the management staff. While previous research had observed that cooperative values as a democratic organization and participatory management had become decoupled from worker's daily activity (Heras-Saizarbitoria, 2014), our findings do not seem to reinforce that claim. Instead, our research suggests that a grassroots democracy underlies the process by which representatives are appointed for the governing bodies in MC cooperatives, at least in the cases documented in this study. Further research could contribute to elucidating the extent to which democratic organization and practices are present in the day-to-day life of this and other cooperatives at MC.

Second, also in relation to participation in management, our evidence shows that the involvement of worker-members in governing bodies like the Governing Council and the Social Council enhances their understanding of the business and the operation of the cooperative. According to the interviewees, this happens because the members of the governing bodies must receive specialized training that enables them to understand the information that will be at their disposal and make adequate, informed decisions. Additionally, members of these bodies frequently interact with the management staff, who share information about the status of the cooperative with them. This enhanced understanding of the business by those members seems to increase the motivation, engagement, and empathy toward other members in the same representative positions. Previous

research had already shown that involvement in strategic management (Hidalgo-Fernández et al., 2020), decentralization and participative decision-making (Agirre et al., 2014) all have a positive relationship with workers' organizational commitment in worker cooperatives. However, our research suggests that one factor that could explain such positive relationship is the intensive learning process that takes place as worker-members actively participate in management, for instance in the governing bodies of the cooperative.

Finally, in relation to participation in ownership, our evidence suggests that worker-members develop an emotional attachment to their cooperatives as they acknowledge themselves as co-owners of the companies and part of collective business efforts. The worker-members interviewed clearly expressed that this emotional attachment increased their personal commitment toward their cooperatives, as they felt more motivated to work hard and take on greater responsibilities for the sake of the business, particularly during difficult times. This finding reinforces the argument of previous research that reported that increased job demands and workloads in cooperatives do not reduce organizational commitment of their members (Park, 2018), although our study suggests that a factor that could explain those observations is the emotional attachment that participating in ownership generates. Besides, previous research on psychological ownership had demonstrated positive links between psychological ownership for the organization and employee attitudes like organizational commitment (Van Dyne and Pierce, 2004), which seems to be clearly reinforced by the findings of our research. Future research could further explore the relationship between democratic participation in MC cooperatives, both in management and ownership, with the development of psychological ownership (i.e., the feeling of possessiveness and of being psychologically tied to an organization: Pierce et al., 2001) of their workers.

Overall, in line with the findings of Weber et al. (2020) that demonstrate a positive effect of organizational democracy (i.e., SAEP, EO, and IPD) over value-based commitment, our results show that both participation in management and participation in ownership in MC cooperatives do influence the development of affective commitment of its worker-members (and perhaps also of temporary workers as suggested by some of the testimonies presented). On the one hand, these insights may contribute to inform those worker cooperatives and other democratic organizations that seek to attract and retain human talent. By means of promoting democratic participation of workers in management and ownership, as analyzed in this study, they could potentially increase the affective organizational commitment of their workers. On the other hand, these findings may also contribute to inform the actions of worker cooperatives that deal with the challenge of developing positive types of organizational commitment in their subsidiaries, as they may decide to advance with greater determination in the transfer of these types of democratic participation.

Nevertheless, we must also acknowledge at least three limitations that are inherent to our study. First, due to the size of our sample, it is not possible to extrapolate our findings to all the cooperatives that belong to MC. Instead, the results of our research represent only the feelings of the people

interviewed, which are nonetheless valuable to advance in the understanding of the reality of this cooperative group. Second, while the exclusive focus on affective organizational commitment showcased the potential of the democratic participation of workers to generate higher levels of organizational commitment, broadening the focus of analysis to other types of organizational commitment (i.e., continuance and normative) could potentially allow the identification of contradictions and/or exclusionary elements that this research did not identify. Finally, while it would be interesting to contrast the interpretations of the interviewees with quantitative measurements of organizational commitment in their cooperatives, this study did not carry out such statistical analyzes. Future studies could adopt a mixed approach that incorporates into the analysis both the voices of workers and more traditional quantitative measurements in this field of study.

DATA AVAILABILITY STATEMENT

The data analyzed in this study is subject to the following licenses/restrictions: The information stored on the CREA server can only be consulted upon request when the person responsible for the server and the data of the CREA center is asked. Requests to access these datasets should be directed to Community of Research on Excellence for All (CREA) crea@ub.edu.

ETHICS STATEMENT

The studies involving human participants were reviewed and approved by the Ethics Committee of the Community of Research on Excellence for All (CREA) with the number 20211031. The patients/participants provided their written informed consent to participate in this study.

AUTHOR CONTRIBUTIONS

RF: conceptualization, funding acquisition, and supervision. AR-O and AB-F: investigation. MJ: methodology, visualization, and preparation. AR-O: writing – original draft. RF and AB-F: writing – review. All authors contributed to the article and approved the submitted version.

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Success of Process Innovations Through Active Works Council Participation

Kai Breitling[1] and Wolfgang Scholl[2]*

[1] Department of Social Security Administration, Federal University of Applied Administrative Sciences, Berlin, Germany,
[2] Department of Psychology, Faculty of Life Sciences, Institute for Psychology, Humboldt University of Berlin, Berlin, Germany

Successful innovations are deemed to be necessary requisites for enterprise success. On the other hand, works council participation ("co-determination" in Germany) and employee participation are judged differently as either fostering employee and enterprise benefits or only the former or even none. Both forms of participation have found diverging theoretical and empirical argumentations regarding innovations. Here, we argue and show empirically that both forms of participation deliver positive contributions to innovation success, economically and employee-related, substantiated with qualitative reports from 36 process innovation cases and quantitative data from 44 cases. Qualitative case analyses reveal different profiles of works council participation depending on the innovation type. Independent of the innovation types, more successful innovations are marked by more intensive participation. Quantitative examinations of a causal model with path analysis specify how this is achieved: works council and employee participation further the growth of appropriate knowledge and the former also raises the coordination capability; both are essential preconditions for innovation success. A direct impact of works councils on innovation success complements the indirect effects. The slightly modified path analysis explains 53% of the innovation success variance.

Keywords: innovation success, process innovations, co-determination, employee participation, works council, coordination capability, knowledge growth, path analysis

INTRODUCTION

Innovation is considered to be a key factor of organizations' success and prosperity (Banbury and Mitchell, 1995; Brockhoff, 1999; Artz et al., 2010). Thus, the question of what drives innovation is widely discussed. Research has focused on economic parameters as well as on social factors to predict innovation success. Among the wide range of social factors, participation has been identified as having a vital influence on the innovation process (West and Farr, 1990; Boonstra and Vink, 1996; Michie and Sheehan, 1999; Spreitzer et al., 1999; De Dreu and West, 2001; Tonnessen, 2005). Participation is referred to as the involvement of employees in decision-making and can be found in various forms: while *direct* participation is defined as the "immediate, personal involvement of organization members in decision making" (Dachler and Wilpert, 1978, p. 12), *indirect* participation is performed on behalf of the employees by an elected committee of co-workers. In Germany, *indirect* participation is legally prescribed as so-called *co-determination*: employees are represented by a works council on the factory level, as well as by employee

representatives on the board of larger corporations. We will refer to direct participation as *employee participation* and to indirect participation as *works council participation* or *co-determination*.

The positive contribution of employee participation and co-determination to employee interests is hardly contested (Scholl and Kirsch, 1986; Wagner, 1994). In fact, Weber et al. (2020) confirmed an increase in job satisfaction, work motivation, employees' organizational commitment, and the perceived supportive climate in the organization. By contrast, the impact of works councils on innovations concerning business practices is not as clear. One reason for the heterogeneous evidence is the diversity of national co-determination systems for which most countries provide their own legal framework which defines how much influence works councils can have on management decisions. In Europe, as a result of different cultural, political, and historical backgrounds, co-determination rights and their application vary substantially between countries (Knudsen, 1995; European Commission [EC], 2008). To overcome these national differences, the European Union has been taking measures to harmonize legislation and achieve a deeper integration of its member states. One major step in this process was the EU's 1994 European Works Council directive (European Commission [EC], 2011), but integration efforts are still ongoing. For future modifications of the European legislation, it is essential to generate more scientific data about the industrial relations systems of the member states to facilitate a more accurate assessment of their advantages and disadvantages. This study aims to provide deeper insights into the actions and consequences of German works councils in process innovations, which may provide further knowledge about the mechanisms of works council participation and give new directions for European legislation regarding works councils. The study comprises 45 innovation cases based on interviews with management and works council members as well as standardized questionnaires filled in by the same respondents.

WORKS COUNCILS – PROMOTERS OR INHIBITORS OF INNOVATIONS?

When we speak of innovations in this article, we refer to process and organizational innovations. Process innovations are "new or significantly improved production or delivery methods," including "new equipment, software, and specific techniques or procedures" (Organisation for Economic Co-Operation and Development [OECD], 2005, p. 55), whereas organizational innovations are "new organizational methods in business practices, workplace, organizational, or external relations" (Organisation for Economic Co-Operation and Development [OECD], 2005, p. 55). We focus on these types of innovation because they usually bring a significant change of working conditions and other employee-related outcomes. According to the German Works Constitution Act, management decisions that directly affect the workplace are strongly subject to the co-determination of the works council. Thus, organizational and process innovations are more relevant to our research question than product or service innovations.

The effect of co-determination on innovations has been a source of scientific controversy. There exist two theories about the influence of works councils on innovations that make contrary predictions: new institutional economics (NIE) on the one hand and participation theory on the other (for detailed reviews of this discussion see Dilger, 2002; Hucker, 2008; Renaud, 2008). Supporters of the NIE approach contend that works councils inhibit innovations by virtue of their assumed primary goal of maximizing wages at a minimum amount of work. According to NIE, the consequences of co-determination for the company are threefold: increased transaction costs due to more extensive wage bargaining, reduced profits, and finally, weakened employers' property rights. These factors are expected to have an overall negative effect on firm innovation because capital owners will stop spending money on innovations if chances of a poor return on investment are high (Jirjahn, 2011).

In contrast, advocates of the participation theory argue that works councils promote innovations instead of inhibiting them. The positive influence of representative participation comes from the works council's role as a collective voice of the workforce (Freeman and Medoff, 1984; Freeman and Lazear, 1995). Without a works council, employees have to talk to management or their superiors, personally, if they want to express dissatisfaction or make suggestions for improvements, which exposes them to the possibility of being sanctioned. In contrast, works councils cannot be sanctioned by the employer and are covered by very strong lay-off protections; for them, there is no reason to hold back demands or to bring them forward in an overly cautious way. According to the participation theory, works councils - by speaking on behalf of the employees - enhance the exchange of information over hierarchy levels, especially from the bottom upward. Knowledge at the operational/shop floor level penetrates the organization more easily and is more likely to be considered in management decisions. As a result, innovativeness is expected to increase because organizational knowledge is better exploited, problems are detected earlier, and the quality of management decisions eventually improves.

It is difficult to decide on mere theoretical grounds which approach is more appropriate to predict the factual influence of co-determination on innovations. NIE has been criticized for its one-sided and monolithic view of employers' and employees' motives (Streeck, 2008). In fact, findings from motivational and organizational psychology about workplace behavior have been widely ignored by the NIE approach. More specifically, employees as well as their representatives have an interest in the long-term success of their firm because their workplaces depend on it. Yet as a third possibility, co-determination might have simultaneous negative and positive effects on innovation, which would make it difficult to predict the net result (Bertelsmann-Stiftung and Hans-Böckler-Stiftung, 1998).

To find empirical support, a substantial number of studies on the relationship between works council participation and innovativeness have been conducted. Despite the methodological diversity of these studies, they allow some insights. In the first group of studies, the authors examine the impact of the mere presence of works councils on innovations. The findings show either no correlation (Blume and Gerstlberger, 2007;

Hempell and Zwick, 2008) or a positive correlation (Hübler and Jirjahn, 2002; Zwick, 2004) between the existence of a works council and workplace innovations. These heterogeneous results still reveal a common outcome of these studies: the lack of a negative effect of works councils (see also Wilpert, 1998, p. 63; Addison et al., 1999, p. 241). This can be considered the first hint toward our research question, but definitely calls for a deeper look into the underlying processes of co-determination.

Other authors take the diversity of works councils into account. There are two dimensions commonly referred to specify this diversity: (a) the negotiation strategy of works councils, which can be either conflict-oriented or consensual, and (b) the works councils' strength or proactivity, which can range from passive-reactive to proactive and self-initiated. Various works council typologies are based on one or both of these dimensions (Kotthoff, 1981, 1994; Müller-Jentsch and Seitz, 1998). Research findings confirm a close relationship between works councils' strength and innovation output: Organizations with a strong and proactive works council have a clear lead in innovation over those with passive and reactive works councils (Nienhüser, 2005; Ziegler et al., 2010). At the same time, the conflict style of works councils seems to play no major role in innovation, since no or only weak correlations have been found (Frick, 2002; Nienhüser, 2005).

In most of the cited studies, innovativeness is defined as the number of new methods and practices (i.e., innovations) implemented in a certain time interval. This approach ignores the fact that many innovations fail because they do not achieve the expected goals of better performance and/or working conditions (Klein and Knight, 2005). In line with other authors, we took these outcomes into account to assess innovation success more adequately. However, there is currently no research that explicitly investigates the relation between co-determination and innovation outcome indicators. We tackled this question empirically in our study based on the positive interest of employees and their works councils into the firm's long-term success as well as on the above-cited literature. Our research hypotheses try to depict more closely the main processes which relate works council participation to innovation success. The first hypothesis in the research proposal read:

(H1) The stronger the works council participation during the innovation process, the stronger is its positive effect on the innovation regarding its efficiency, quality of working life, and overall effectiveness.

How Are Innovations Affected by the Co-determination of Works Councils?

Participation is sometimes referred to as a black box, because not much data exists as to *why* it has an impact (vgl. Junkes and Sadowski, 1999, p. 84; Torka et al., 2008). Many studies show correlational evidence for the link between innovation and co-determination but do not provide information about the mediating processes. The explanations of why works councils have an effect are mainly based on theoretical assumptions rather than on empirical data. Participation theory argues that the benefit of works councils on innovations is mediated by

an enhanced exchange of knowledge within the organization (see above). In fact, a study by Klippert et al. (2009) shows that a high degree of cooperation between the works council and management correlates with more effective knowledge management structures in the organization. At the same time, these knowledge management structures are closely related to successful product and process innovations (Blume and Gerstlberger, 2007). Similarly, Scholl (2004) reports that the more knowledge is gained during IT-related innovation processes through participation, the more successful are these innovations.

Apart from knowledge exchange, another variable is to be considered for mediating the influence of co-determination on innovation: the capability of the organization to coordinate the ideas, interests, and actions of the persons involved in the innovation process. Coordination capability is considered essential for dealing with complex organizational processes like innovations. It comprises two dimensions: the *ability of decision-making* and the *ability of implementation* (Scholl and Kirsch, 1986; Scholl, 2004). While it is often argued by NIE proponents that co-determination weakens the coordination capability, empirical data show the contrary: strong co-determination *facilitates* and improves the coordination capability (Bartölke et al., 1982; Scholl and Kirsch, 1986). When dealing with a strong works council, management is less inclined to push forward their own ideas and instead will pay more attention to employees' concerns and the complexity of the whole innovation process (Scholl and Kirsch, 1986). If this complexity is ignored, subsequent problems, as well as more resistance, are more likely, which impairs the coordination capability more severely than when involving the works council at an early stage of the innovation process. Several studies confirm with path analyses that coordination capability is an essential success factor for innovation (Scholl, 2004, 2019; So, 2010). Therefore, we hypothesize: The promotional influence of co-determination on innovation success is – at least in part – mediated by knowledge growth and coordination capability. In detail:

(H2) The stronger the works councils' participation, the stronger is its positive effect on knowledge growth.

(H3) The stronger the works councils' participation, the stronger is its positive effect on the coordination capability during the innovation process.

(H4) The higher the knowledge growth, the more positive will be the effect on the innovation's success with regard to efficiency, the quality of working life, and overall effectiveness.

(H5) The higher the coordination capability, the more positive will be its effect on the innovation's success with regard to efficiency, the quality of working life, and overall effectiveness.

Co-determination as a Remote or Proximate Factor?

Co-determination, as well as other variables in social science, can be operationalized either on a remote or a proximate level. A remote factor is considered a context variable, assuming that it does not vary much over time and is hardly influenced by

other factors (Schneider and Wagemann, 2006). In participation research, this approach can be found in studies on how the presence or absence of a works council affects organizations. Typologies of works councils, too, take a remote perspective. The categories set up to characterize works councils imply that they always act in a similar way without being affected by situational factors or the persons involved. In contrast, a proximate factor varies over time and is influenced by the situational setting and involved persons. Thereby, it is temporarily and spatially linked much more closely to the outcome (Schneider and Wagemann, 2006). A proximate view on co-determination is attained by examining the concrete behavior of works councils in specific situations or during specific events. Schneider and Wagemann (2006) as well as Kitschelt (2003) recommend distinguishing between remote and proximate aspects to analyze causal *structures* (remote) on the one hand and causal *mechanisms* (proximate) on the other. As for co-determination, studies confirm the relevance of this distinction (although the authors do not explicitly refer to the remote-proximate concept). For example, Osterloh (1993) found that the amount of information provided by management could be predicted much more precisely based on how the works council was involved in joint decision-making (proximate factor) than by the co-determination law applicable (remote factor). Similar results were reported by Horsmann and Pundt (2008). Thus, we assume that the remote aspect of co-determination, i.e., the general characteristics of a works council is more predictive for its specific participation in the innovation process than for the innovation success itself. So, we hypothesize:

(H6) The stronger the overall influence of the works council within the company, the stronger is its effect on the works council participation during the innovation process.

These six hypotheses build a small causal model which shall be tested with a path analysis (see **Figure 1**). For instance, the combination of H6 with the hypotheses H1 to H5 means that works council participation mediates the overall influence of the works council *via* three paths onto innovation success.

Works Council Participation vs. Employee Participation

German law provides the right for employees to found and establish a works council in their company if the total number of employees is more than five. Yet, if there are no candidates that are willing to run for this honorary office, then there will be no works council. In fact, only about 10% of German companies are co-determined by a works council; this rate ranges from 6% in small enterprises up to 90% in large companies with over 500 employees (Ellguth and Kohaut, 2010). In contrast, in all organizations, there is some degree of employee participation because most management decisions require the involvement of subordinate employees at a certain point to be executed. So, in co-determined organizations, we always find employee and works council participation coexisting. But how do they interact in the innovation process? Before answering this question, it has to be noted that, in the participation literature from scientists and practitioners, the term 'employee participation' has become a special term for extra-role participation or more-than-usual participation. In our qualitative and quantitative measurements, we see and register both normal role participation (e.g., general information to the workforce) and extra-role employee participation (e.g., 'Employees contributed, continually, new ideas and suggestions').

For employee participation, several authors show a positive effect on innovations (West and Farr, 1990; Wengel and Wallmeier, 1999; West, 2002; Scholl, 2004; Schepers and van den Berg, 2007). Similar to the participation of works councils, the involvement of employees is supposed to provide easier access to relevant knowledge at the operational level (Lawler, 1992; Scully et al., 1995; Wilpert, 1998) and to reduce resistance to change (Coch and French, 1948; Vahs, 2007, p. 343). However, no data is available about how the *combination* of employee and works council participation affects innovation. Research in the field of industrial relations provides evidence mostly about how they affect each other. In the 1970s and 1980s, unions and works councils suspected that employee participation under management control is a rival to co-determination (Leminsky, 1998, p. 58). Yet recent findings do not confirm this position and instead endorse the theory of mutual enhancement (Dörre, 1996;
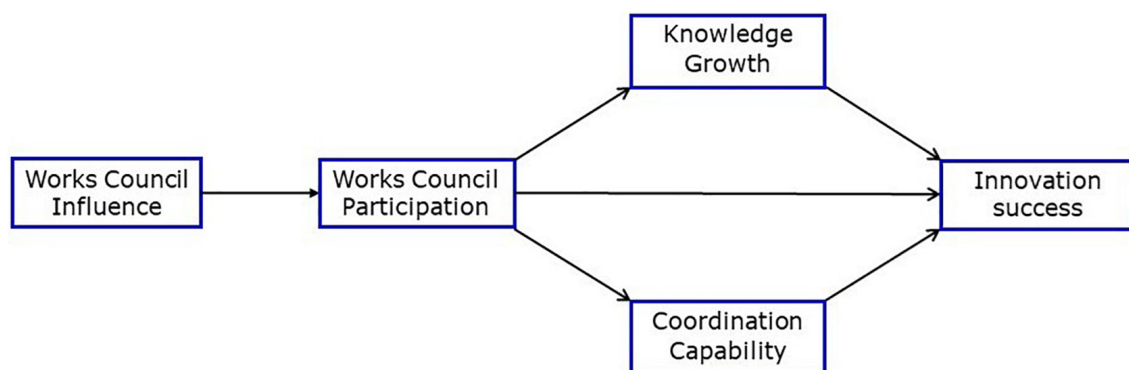

FIGURE 1 | Path model of works council participation in innovation processes.

Fröhlich and Pekruhl, 1996, chap. 6; Kotthoff, 1998; Helfen, 2005; Tietel, 2006; Pohler and Luchak, 2014). These findings still make it difficult to deduce implications for innovations. They allow only for the minimal assumption that the coexistence of works council and employee participation does not impair the innovation success. Therefore, we do not propose any specific hypothesis. Instead, we statistically explore how employee participation relates to works council participation as well as to innovation outcomes and the mediating variables. Considering earlier studies, we expect:

(E1) There is a positive effect of employee participation on the innovation process which has to be specified.

The combination of these hypotheses and expectations shall be tested with structural equation models, respectively, with path analyses (see below).

What Is the Contribution of Works Councils in the Innovation Process?

To draw a clearer picture of the mechanisms of co-determination, it is not sufficient to investigate the data using a quantitative questionnaire. Standardized measures of co-determination offer only a limited view because they are focused on very few dimensions, e.g., extent of participation or conflict style of works councils. These dimensions are too abstract to describe what works councils actually do in the innovation process, especially if one considers the multitude of issues attached to innovation projects on the one hand and the available options for dealing with them on the other. For a deeper understanding, it is necessary to add a qualitative view on co-determination by examining the content of works council activities.

Authors using a qualitative approach report a variety of issues works councils are concerned with in the innovation process. In the 1970s, unions in Germany began to discuss innovation more deeply (e.g., Hinz, 1978) as a possible alternative to rationalization. The German Metalworkers' Union (IG Metall) founded the local Innovation Consulting Centers which offered information and practical help for works councils about all aspects of innovation, including societal and ecological aspects (Klotz, 1987). It was explicitly intended as an alternative strategy to shape the selection and content of innovations in a socially responsible way. This includes all the topics that come along with innovations, their primary goal, technical and organizational feasibility, financial risks, and their consequences for employee-related concerns. Despite this variety, works councils focus primarily on those topics which are considered to be most closely linked to their core responsibility: the well-being of the employees (Bartölke et al., 1991; Stracke and Nerdinger, 2010), e.g., job security, health and safety at work, company social services, re-training, etc. (see the respective paragraphs in the Works Constitution Act). Thus, they try to cope with the expected consequences of the innovation for the staff members rather than shaping the innovation process properly. Nevertheless, works councils also get involved in the innovation scope itself. Process innovations in particular more frequently deal with technical and organizational changes of the company than directly with employee affairs, but often they have consequences for the latter, too. Depending on their expertise and demand for participation, works councils may get involved in any issue of innovation. Their involvement may range from critically observing the innovation process, intervening from time to time, making suggestions for improvement or even initiating and elaborating their own innovation concepts (Rundnagel, 2004; Ziegler et al., 2010; Schwarz-Kocher et al., 2011). Another, but rather indirect way for works councils to influence the innovation, is to enhance the context parameters (Kern and Schumann, 1984; Stracke and Nerdinger, 2010), for example by helping to eliminate organizational barriers, increasing employees' motivation and their capacity to continually improve the company, or arranging incentives for change. Finally, works councils can also oppose or completely reject an innovation. This is only an option of last resort, which can be necessary if employee interests are seriously threatened through the innovation (by layoffs, poor working conditions, etc.). It is hardly possible to predict how widely-used these different forms of works council participation in innovation processes really are and which consequences they have. Therefore, we want to qualitatively explore innovation processes with the following research questions (RQ):

(RQ1) What are the aspects of the innovation that are relevant for works council participation, and to what kind of actions do they prompt works councils within the innovation process? Aspects can be any content of the innovation, any facet of the process, or any action of management related to the innovation at stake. Like managers, works councilors have limited resources of time, knowledge, and external support, so they have to prioritize their possible actions.

(RQ2) Are there specific patterns of works council action for different types of process innovations? Process innovations can be very different, e.g., comparing structural changes with human resource improvements. So, we look for possible types of innovation which comprise similar goals and action fields but differ a lot from other types.

(RQ3) Are there specific patterns of works council action for successful innovations in contrast to less successful ones? Since H1 assumes a positive effect of works council participation on innovation outcomes, it can be expected that co-determination varies not only quantitatively but also qualitatively with innovation success.

MATERIALS AND METHODS

The following study is based on a research project (conducted by the authors) with the title "Innovativität durch Mitbestimmung, untersucht an der Beteiligung von Betriebsräten an Prozessinnovationen" (Innovativeness through co-determination, investigated with regard to the participation of works councils in process innovations). It was financed by the Hans–Böckler–Stiftung (the foundation of the German Trade Union Confederation) after a competitive request for proposals. The foundation's advisory committee was informed three

times about the progress of the study while the independence of the researchers was not challenged. The final report was published by Scholl et al. (2013).

Sample and Data Collection

To examine the effect of works council participation on innovation success, we combined quantitative and qualitative methods. We draw upon a case-based sample of 45 organizational and process innovations that were introduced no more than 5 years prior to our survey. Due to the limitations of field research, it was not possible to make up a randomized sample, so we had to select innovation projects according to certain criteria. The sampling process comprised two steps. In the first, we identified suitable companies. To avoid effects caused by different legal frameworks of co-determination, we concentrated on joint-stock companies and limited companies with a workforce of more than 500 employees. This made sure that in the supervisory boards, employee representatives had a mandatory share of one-third or – in the case of the workforce exceeding 2,000 employees – of half of the seats. In addition, we targeted a wide spectrum of economic sectors, so we included in our search various industrial and service branches with the presence of various unions. After a company had given its approval to participate in our research, we had to identify the innovations to be examined as a second sampling step. Our selection criteria aimed at composing a sample of innovations that featured considerable variance with respect to the (a) type/content of innovation, (b) extent of works council participation during the innovation process, and (c) innovation success (for b and c we applied rule of thumb estimates which were later assessed more precisely by our questionnaires and interviews).

The sample size of 45 cases should allow statistical analyses and still be small enough to allow in-depth analyses of every single innovation. To get a comprehensive and balanced view, we collected data both from the works council and from management about each selected innovation. For the qualitative section of our study, we conducted an interview with at least one participant from each side. Following the interviews, the interviewees were asked to fill in a standardized questionnaire for the comparative quantitative analyses. Both the interviews and the questionnaires aimed at tracing the evolution of each innovation process, thereby focusing on the participation of the works council, the employees, and their interaction with management. Interview data from both parties (works council and management) are available in 36 cases, questionnaire data in 30 cases. In 14 additional cases, the questionnaire was completed by one side only, in seven cases by a management representative and in seven cases by a works council member. For one case, only interview data were provided, which gives quantitative data on 44 cases.

Qualitative Procedure and Analysis

The interviews aimed at getting a basic understanding of the works councils' and the employees' participation in process innovations. Well-informed members of management and of the works council were contacted for so-called expert interviews (Meuser and Nagel, 2009). A guideline was developed and used in the interviews with questions: (1) about the interviewed person, their function in the firm, and their professional role conception, (2) about the important aspects of the innovation project, (3) about the kind of participation of the works council and the employees in the innovation process, and (4) about the final assessment of the innovation, including its success. Based on a written data privacy contract, the interviews were audio-taped with the consent of the interviewees, except in 4 cases that could only be analyzed from interviewer notes. Most interviews lasted approximately 90 min.

As intended, the obtained innovations differed a lot in their characteristics. Therefore they were categorized into four groups according to their scope to examine whether the innovation type influenced the activities of the works council: (a) 10 innovations dealt with changes in the structure of the firm, e.g., rearranging business units and divisions, (b) 9 innovations dealt with changes in procedures and workflows, e.g., optimizing time and costs of processes, (c) 20 innovations concerned human resources, e.g., leadership methods, pension plans, compensation schemes, and (d) 6 innovations were about introducing new software, e.g., for accounting. Due to the complexity of innovation processes, it was not surprising that in some cases we found characteristics of more than one innovation type. However, for an unambiguous categorization, we referred to the initial trigger and/or primary goal of the innovation. For example, if new software was to be introduced and as a consequence, this required organizational adjustments or staff training, we still considered it a *software innovation* and not, e.g., a human resources innovation, because it was the new software that shaped and coined the whole innovation process.

The analysis of the interviews was based on *qualitative content analysis* (Mayring, 2014). This is a rather formal methodological approach, as it requires a category system that allows for the classification of contents as well as for a direct comparison of cases. Before the analysis is carried out, the original interview transcripts are paraphrased and summarized. Therefore, it is the method of choice for relatively large amounts of text as was the case in our study. We applied a specific technique of qualitative content analysis called *content structuring* (Mayring, 2014, p. 104).

In the first step, we filtered out the passages that contained statements about and descriptions of the works council activities during the innovation process from each interview transcript. We focused on statements that were closely linked to our three research questions, i.e., statements on how much the works councils contributed to the innovation proper, which employee interests they addressed, whether they enhanced the context parameters of the innovation, and whether they opposed the innovation. In the next step, these passages were summarized "to reduce the material in such a way that the essential contents remain" (Mayring, 2014, p. 64). In the third step, the summarized passages of all interviews per case were condensed to a coherent and consistent case description. Interestingly, none of the cases involved major conflicting or contradictory statements of the interviewees. However, what we were faced with rather often was the fact that interviewees mentioned certain details that others did not. These details were added up neatly and without

inconsistencies in the final case descriptions. When different points of view were apparent on occasion, they applied primarily to subjective aspects that were not significant for the analysis. This could be observed, for example, in case HR-01 (introduction of employee performance reviews, see Appendix): whereas the interviewees' descriptions of the works council's activities were very similar, their personal opinion on the same topic differed rather clearly. While the works council representative expressed her satisfaction, the management interviewee was rather critical, stating that due to the works council the innovation had become a "tortuous and exhausting process."

The category system for the analysis of the works council participation was developed by deduction from participation research literature and by induction via newly gained insights from the case descriptions (for the complete category system see **Table 1**). We defined four broader dimensions to cover works council activities comprehensively. These dimensions were further subdivided so that it was possible to classify the works council participation more precisely and specifically within a dimension:

(1) Activities affecting the content and design of the innovation (Bartölke et al., 1991; Kern and Schumann, 1998; Rundnagel, 2004; Horsmann and Pundt, 2008; Ziegler et al., 2010), subdivided into six values according

to the intensity of these activities (ranging from minimal contribution up to initiating ideas).

(2) Activities concerning employee-related issues (Stracke and Nerdinger, 2010; Schwarz-Kocher et al., 2011), subdivided into four values according to the scope of these activities.

(3) Activities affecting the general conditions under which the innovation project and/or its implementation were carried out, with the aim to provide a smooth course of action within the organization (Kern and Schumann, 1984; Stracke and Nerdinger, 2010; no further subdivisions within this dimension).

(4) Activities of resistance against the innovation (Kley, 2018), subdivided into two values according to the aim of resistance.

Additionally, for each subdivision, one or two typical "anchor samples" (Mayring, 2014, p. 95) were extracted from the case descriptions in order "to illustrate the character of those categories" (Mayring, 2014, p. 95; for details see **Table 1**).

Quantitative Measurement and Analysis

For the questionnaire, we took advantage of existing questions and items from former research on participation and/or innovation (e.g., Wilpert and Rayley, 1983; Scholl and Kirsch, 1986; Scholl, 1996, 2014; Schimansky, 2006; So, 2010; Bentz, 2011). The questions for works council and employee

TABLE 1 | Category system for the analysis of the works council (WC) participation during innovation.

Dimension of WC participation	Subdivision	Anchor sample
Activities affecting the content and design of the innovation	WC initiates the innovation	● WC comes up with own idea and turns it into an innovation project. ● Innovation is shaped profoundly by WC's impulses.
	WC participates continually over the course of the innovation	● WC is an equal member of the innovation's steering committee and has substantial influence on its decisions.
	WC contributes to specific topics of the innovation	● WC identifies yet unregarded aspects of the innovation and comes up with its own suggestions or solutions.
	WC acts as devil's advocate of the innovation	● WC warns about possible problems, questions decisions, and re-checks results.
	WC as watchful observer of the innovation	● WC is well informed about the innovation process at any time and closely monitors its progress.
	WC has a passive role in the innovation	● WC does not contribute any ideas to the innovation. ● WC is restricted to its legally prescribed functions (e.g., formal approval of certain management decisions).
Activities concerning employee-related issues	WC defends employees' interests	● WC averts disadvantages for the employees caused by the innovation (e.g., overtime and layoffs).
	WC advocates for more qualification of employees	● WC initiates on-the-job-training for a new software.
	WC communicates with employees about the innovation	● WC openly discusses with the employees about the consequences of the innovation or alternative solutions.
	WC enhances employees' acceptance of the innovation	● WC highlights the necessity and benefits of the innovation ● WC disproves employees' concerns about the innovation.
Activities affecting the general conditions under which the innovation project is carried out with the aim to provide a smooth course of action within the organization (*no further subdivision*).		● WC improves the structure or processes of the innovation project, e.g., by constantly urging management to get ahead with the project.
Activities of resistance against the innovation	Resistance because of the content of the innovation	● WC openly tries to impede the innovation out of anticipated disadvantages for employees.
	Resistance as a negotiation tactic concerning other issues	● WC announces to reject the innovation in order to achieve management's concession in a different field.

participation developed by other authors had to be adapted to the context of our study. As an example, to assess the extent of works council participation, we used the Wilpert and Rayley (1983) items as a template. Yet Wilpert and Rayley provided only one response option, i.e., out of several items that describe certain degrees of participation the survey participant selects the one he or she deems most applicable. In that case, we preferred different degrees of participation to be assessed independently to gain richer data.

The questionnaire was pretested with 20 works councilors and slightly modified for the final version. In the following, the items for each construct are given, together with their reliability. While the items demonstrate content validity, their construct validity was already shown in the above-cited former studies and can be judged from the theoretically expected correlations, which should be significant (they are significant, cf. **Table 2** in the "Results" section).

The extent of *works council participation in the innovation process* (proximate variable) was measured with the following items, tapping the full range of participation possibilities:

"How did the works council participate in the shaping of the innovation?

- The works council had to enforce his participation by legal means;
- The works council was only informed about decisions already taken;
- The works council was already informed in preparation of important upcoming decisions;
- The works council expressed its opinion in preparation of important decisions;
- Important decisions were altered because of ideas and suggestions of the works council;
- The ideas and suggestions of the works council were significantly incorporated into important decisions;
- Important decisions were partly based on own ideas and suggestions of the works council;
- Important decisions were initiated by the works council."

The items were scaled from 0 = not at all true, via 3 = partly true, and up to 6 = fully true. The reliability (Cronbach's alpha) is $\alpha = 0.82$, after excluding the first item.

In a similar way, employee participation was measured with these items:

"To what extent did the relevant employees participate in the innovation process?

- The employees were only informed just before the realization of the project;
- The employees were only informed about decisions already taken;
- The employees were already informed in preparation of important upcoming decisions;
- The employees expressed their opinions in preparation of important decisions;
- Important decisions were altered because of ideas and suggestions of employees;

- Employees contributed continually new ideas and suggestions;
- The ideas and suggestions of the employees were incorporated into important decisions;
- The employees initiated interesting project developments."

The scales were the same as above. Cronbach's alpha is $\alpha = 0.88$.

Knowledge growth was measured with the following introduction: "During the innovation process, to which extent . . . were new things probed and new experiences garnered?", ". . . were the actual problems identified?", ". . .was the complexity of the task understood in depth?", ". . . were new insights gained?", ". . . were ideas and experiences of others adopted?", ". . . were errors detected and processes improved?" The items were scaled from 0 = not at all, via 3 = partly, and up to 6 = very much. Cronbach's alpha is $\alpha = 0.89$.

Coordination capability was measured with the general introduction: "What was your impression: how serious were the following problems during the innovation process?" "The innovation process stagnated and threatened to sand up," "Discussions went endlessly round in circles," "Urging decisions were taken with delay," "Decisions taken were not or incorrectly implemented," "Decisions taken were arbitrarily altered during the implementation," "Decisions were implemented nominally without meaningful adaptation to the situation." The items were scaled from 0 = not at all, via 3 = partly, and up to 6 = very much. Cronbach's alpha is $\alpha = 0.86$.

Innovation success was measured with items for economic outcomes, on the one hand, and benefits for the employees on the other. By measuring these two aspects, possible win-win solutions could be identified. The introduction for economic success read: "How do you rate the economic success of the innovation regarding . . . the adherence to the timeline of the project?", ". . . the adherence to the budget frame?", ". . . cost reductions?", ". . . the expected practical benefit?", ". . . the achieved problem solution?" The introduction for the employee-related benefits read: "How do you rate the consequences of the innovation for the employees regarding . . . the work place quality?", ". . . the work climate?", ". . . the wages?", ". . . the opportunities for professional development?", ". . . the employees' autonomy at work?" The items were scaled from −3 = total failure down to −1 on the left side, 0 = partly, to +1 on the right, and up to +3 = total success. Cronbach's alpha is $\alpha = 0.80$.

The *overall influence of the works council* within the company (distal variable) was measured as a difference from the estimated influence of the top management, due to the fact that a leading works councilor could be also a member of the supervisory board controlling the top management. The relevant question asked for a general assessment of the time before the introduction of the innovation: "How strong or weak was the influence of the following groups on decisions in the company? Top Management/Middle Management/Works Council/Union," to be estimated for each group from 0 = very weak up to 6 = very strong. Only the difference between top management and works council was used for the overall influence of the latter in the reversed form: the lower the difference, the higher the reversed value;

no difference between management and works council influence would be 0, in reversed form 6. No reliability could be calculated from the single ratings.

As could be expected, the data varied not only between cases, but also between the assessments of the respondents of the same case: a works council member, a responsible manager, and/or a project leader. Differences in assessments might be partly due to different observations, experiences, and reports of different parts of the innovation and partly due to biases based on positional and personal interests. Thus, the correlations between the estimates from management and from the works council show medium to near-zero values: overall influence of the works council: $r = 0.06$, works council participation: $r = 0.40$, employee participation: $r = 0.03$, coordination capability: $r = 0.31$, knowledge growth: $r = 0.06$; and innovation success: $r = 0.26$. If different respondents get their impressions from different aspects of a longer innovation process, then averaging the responses is the best way to reach a reasonable picture of these co-determined innovations. Thus, the different impressions were averaged and complemented each other, which leads to a more realistic conclusion about the cases in question. So, first, the answers from a manager and a project leader (if both were available) were averaged, and secondly, the answers from management and the works council member were averaged. It can be expected that the resulting variables are more valid than the impressions of either side. The construct validity can be checked through the significance of the correlations between the averaged variables. The below reported empirical analyses confirmed this expectation (the same was already shown in Scholl and Kirsch, 1986, p. 360). Separate analyses for both groups are not useful because the kind and amount of biases cannot be assessed and compensated.

For the quantitative analysis of the hypotheses via path analysis, there were 6 unknown parameters (H1 – H6) to be estimated and one or two additional parameters if employee participation shall be included (E1). According to Bagozzi and Yi (2012), 5–10 cases per unknown parameter are necessary for a sufficient estimation, i.e., 35–40 cases are at least necessary for the intended path analysis. The 30 cases where questionnaires from both sides were available fall short of this minimum. Therefore, the 7 solitary questionnaires from management and the 7 from the works council were also used; the lack of the other side's questionnaire was compensated for by using 10 multiple imputations with PASW Statistics. A comparison between the relevant correlation coefficients of the 30 cases from both sides and of the imputed 44 cases data set showed no significant differences. Moreover, the imputed data set is somewhat more conservative because most correlations are a bit lower than those from the 30 cases. With the 44 cases, we could use the maximum of available information for computing a correlation matrix out of the measured constructs as a sufficient basis for the intended path analysis.

Because of the fully specified theoretical model, significance tests will be one-sided: with $N = 44$, t-values > 1.30 are significant at $p < 0.10$ (†); $t > 1.68$: $p < 0.05$ (*); $t > 2.42$: $p < 0.01$ (**); $t > 3.30$: $p < 0.001$ (***). Only the expected but not precisely specified causal location of employee participation will be tested two-sided if it can be integrated at all: $t > 1.68$: $p < 0.10$ (†); $t > 2.02$: $p < 0.05$ (*); $t > 2.70$: $p < 0.01$ (**).

RESULTS

Qualitative Analysis

As already outlined, the innovation cases were partitioned into four types: structural changes (SC), workflow changes (WF), human resources matters (HR), and new software introductions (IT). The actions of the works councils were analyzed with the category system presented in the methods section. A detailed presentation of all works council contributions in the 36 cases is not possible within the limits of this article. Therefore, a listing of all 36 innovations is given in the Appendix where the innovation types, the contributions of the works council, complemented with relevant employee activities (from Shajek, 2013), and the innovation success are shortly indexed and described. Here, we will only discuss the main results and insights which can be drawn from the general overview. As expected, the works councils' foci varied substantially with the innovation type and innovation success.

Human Resources Innovations

The most intensive *content contributions* could be found in human resources innovations (indexed HR-01 to HR15, see Appendix), which is also the field with the most extensive co-determination rights and with the bulk of the usual works council work. The most proactive participation form, i.e., *initiating an innovation*, occurred most often in the human resources realm, e.g., in the cases HR-09 (introduction of measures to improve the work-life balance) and HR-04 (introduction of a new pension).

What was also predominantly found in these innovations was the works council's *continuous participation* and contribution during the entire project, as the case of the introduction of performance reviews (HR-01) shows. Here, despite not being the initiator of the innovation, the works council contributed significantly to all relevant aspects: the official guideline for the superiors to conduct performance reviews was developed jointly by the works council and management, with the works council focusing on the scope of topics to be addressed during the review, the definition and phrasing of performance objectives as well as formalities (e.g., to whom the review sheets were to be sent after completion). Furthermore, the works council made sure that the superiors received training on how to conduct the reviews and instigated the option for employees to add a written comment to the review if they wanted to state their own perspective on certain points. Also, following the works council's suggestion, an additional guideline was developed for the employees to help them to prepare for the review. Finally, the works council pursued integration of two more aspects: the employees' option to negotiate their salary and to give feedback on their superiors' leadership skills. These ideas were not implemented, however.

The human resources cluster of innovations also contains several cases that can be assigned to the third subdivision of content contributions, i.e., cases in which the works council came up with suggestions only for *specific aspects of the innovation,* but without being involved in the whole process. An example

of this category is provided by case HR-06, the introduction of management by objectives: based on the works council's proposal, the number of objectives per person was limited to three; additionally, the works council influenced the way specific goals were operationalized as well as the details concerning the variable salary component.

Contrary to the notable extent of content contributions in the human resources cases, *employee interests* were rarely explicitly addressed by works councils, probably because it seemed obvious which were at stake. This is mirrored in the finding that employees did not participate very much in these cases (Shajek, 2013, p. 156). An exception from the human resources participation pattern can be found in the two introductions of suggestion schemes (HR-11 and HR-12). Here, hardly any content contributions of the works councils could be observed. Instead, they were just accepted and supported, apparently as useful for all. We were hesitant to group these two cases into the human resources cluster; this result speaks for bringing suggestion schemes into a separate innovation cluster which may be called 'establishment of innovation tools.'

Introduction of New Software

Software introductions (indexed IT-01 to IT-05) showed a contrasting action profile of works councils compared to human resources innovations. *Content contributions* were of minor importance whereas the bulk of participation could be assigned to the *employee-related activity dimension*. Within this dimension the category of *defending employees' interests* was dominating: in all cases except for one (IT-01), company agreements were negotiated which interdicted performance and behavior monitoring through the new software. This has been a crucial and much-discussed demand of unions for decades (Klotz, 1987) and our cases seem to show that works councils are very familiar with the topic. Works councils were also concerned with protective regulations for overtime work caused through the software introduction (IT-01, IT-03, and IT-05). The *qualification of employees* category was represented, too: in two cases (IT-01 and IT-03), additional in-company training was negotiated.

The typical features of works council participation in the software cases are illustrated in case IT-03 (introduction of a new billing and customer data management system): though several works council members were part of the project team, they did not contribute novel ideas to the innovation. However, they raised awareness for several problems, e.g., that the new software system required more personnel, that the employees were concerned about the project, and that the staff of the consultant firm seemed to be incompetent. This kind of input corresponds to the *devil's advocate* category, which represents a rather weak type of content contribution. By contrast, co-determination manifested itself strongly in the *employee-related* field. Several categories of this dimension were identified, with the defending of employees' interests subdivision being the most prominent: the works council adapted an existing company agreement to ban the monitoring of employees' work performance via the new software and made sure that overtime regulations were adjusted during implementation (i.e., employees could work overtime without a limit and recorded overtime did not expire). Furthermore,

the works council initiated follow-up training for the staff, thus displaying activity in the qualification of employee category. Lastly, the works council discussed with the employees their concerns and complaints regarding the new software, so we also assigned the *communication with employees* category to this case.

Innovations Through Structural Changes of the Organization

Innovations that aimed at structural changes of the organization (indexed SC-01 to SC-08) showed another different action profile of works councils. As in software introductions, *defending employee interests* was at the forefront whereas *content contributions* were rare and concerned only few and very specific aspects (e.g., SC-02). A good example of this participation profile is provided by SC-02 (merging of several site kitchens into one centralized kitchen) where the works council concluded collective agreements with management to prevent layoffs and to set up new protective regulations regarding weekend work, shift work, and overtime. At the same time, only one idea came from the works council related to the content of the project: providing the employees with new work clothes, e.g., thermal jackets and shoes for the deep-freeze stores. Yet, in contrast to software introductions, works councils contributed to *enhancing the context parameters* in some cases, e.g., SC-07 (launching the production of a new product at the plant): here, the works council acquired public funding for the expansion of the plant's infrastructure and staff retraining. In addition, the works council advertised the project to management and public authorities to receive support for the plan.

What also occurred more often in the structural change projects than in other case types was that the works council actively supported and promoted the innovation vis-à-vis the employees as SC-08 (restructuring of the corporate customer department) or SC-04 (converting a customer service call center into a separate service company) showed. Employees did not participate very much in these cases because, here, the most negative consequences, like workplace losses, could occur which precludes discussion as a possibility (Shajek, 2013, p. 155).

Workflow Innovations

Innovations dealing with workflow changes of the organization (indexed WF-01 to WF-08) showed yet another action profile of works councils: *content contributions*, *protection of threatened employee interests,* as well as active support and *promotion of the innovation* were equally found. In WF-06 (implementation of an efficiency enhancement program) all these fields of participation were on display. A member of the steering committee as well as of all subprojects, the works council was continually and proactively involved in the relevant content-related topics of the innovation, especially in improving the efficiency of various divisions like sales, services, technology, infrastructure, etc. Due to the goal of the innovation, it became apparent soon that jobs would be at stake. The works council, however, averted immediate layoffs in turn for accepting staff reductions through a social compensation plan and attained the preservation of jobs for disabled persons. Despite inevitable job losses, the works council still campaigned for stronger acceptance of the

project because its overall advantages seemed to outweigh the disadvantages. Workflow changes may offer a larger scope for the works council than structural changes, which might explain this participation pattern. In none of the 8 cases, an additional training for employees was required. There might have been no need for a special training. In the workflow innovations, employees participated most strongly and in manifold ways because their special know-how was needed and their personal interests were at stake (Shajek, 2013, pp. 155, 156).

Of course, the influence of the innovation type on the actions of works councils is limited. Looking into the details, all cases differ at least somewhat from all other cases. The characteristics of the firm, of the leading managers, works councilors, and of the innovation itself make each case unique. Even very similar projects within the same firm can be handled quite differently by the works council. For instance, the three projects of improving the quality and efficiency of a hospital's services (WF-01 to WF-03) are handled quite differently by the works council: The works council initiates WF-01 and is involved as a member of the project team. This project ends with a positive social success and a negative economic success. In WF-02, the works council is also directly involved in a kind of co-management; here, the project ends with a negative social success and a positive economic success. In WF-03, the works council is "not very present" in the project while intensive employee participation is organized by the management. This project is judged neutral regarding its social success and very positive in its economic success. Comparing only these three adjacent projects, the different success rates cannot be consistently related to the actions of the works council or the management and are probably more dependent on the specific problems surrounding each project.

Table 2 gives a condensed overview of the qualitative results of works council participation.

Works Councils' Consultations With Employees and Resistance Against Innovations

Consultations between works council members and employees about the upcoming innovation were only reported in 11 cases, sometimes primarily with employees providing information for the works council and sometimes in the other direction. From the literature, one would have expected to find this kind of interaction

and exchange in more cases. It seems that the works council stays constantly in touch with relevant employees such that a special consultation during the innovation process is often not necessary or worth reporting.

Even rarer are the 6 cases with acts of resistance and opposition from the works council. Opposition against the innovation or its parts (WF-05, WF-07, and HR-02) is sometimes combined with intensive content contributions (HR-06) and sometimes used as a negotiation tactic while pursuing other goals (SC-06 and IT-04).

The participation of the employees was small in many cases. Often, they were only informed about the innovation at work meetings, which were either held jointly by management and works council or separately, as reported in eight cases. At these meetings, they could ask questions and express their approval or disapproval. However, it is hard to assess how considerable the influence of these meetings was on the final result (Shajek, 2013, pp. 152–154).

Works Council Participation in Successful and Less Successful Innovations

A final interesting aspect is the relation between innovation success and the kind of works council activities. For the success assessment, the combined success questions of the questionnaires from both sides are used. Most of the innovations lie above zero, i.e., they were at least a bit successful. The upper quarter of the more successful 9 out of 35 innovation cases had a value close to one or larger ($>0,90$) on the scale from -3 to $+3$ (see SC-04, SC-06, SC-08, WF-04, WF-06, HR-02, HR-08, HR-09, and HR-14). The 8 least successful cases, the lowest quarter, had values <0 (SC-02, SC-03, SC-05, WF-01, WF-05, HR-11, HR-12, IT-03, and IT-05). It may be noted that none of the software introductions was fully successful; on the other hand, all human resources innovations are at least partly successful (if the two idea management introductions, HR-11 and HR-12, are taken out of the human resources category, see above). Additionally, from the above reported 11 cases of works council/employee consultations, 5 belong in the successful category, 6 in the partly successful group, and none in the less successful group.

The comparison delivers an interesting picture: the successful innovations often had strong content contributions and strong innovation support from the works council, and were not centered around the protection of employees' interests. The works councils involved in the unsuccessful innovations brought almost no content contributions, did not support these innovations, and concentrated their work on threatened employee interests. The differences of co-determination in successful vs. less successful cases are illustrated by two examples. HR-14 was a successful innovation with the aim to introduce a trust-based working time regulation, i.e., flextime without any recording of working hours. The idea for the project was initiated jointly by the works council and management. The works council was also continually involved in the development and implementation of the innovation: In a first step, the works council and the project leader defined the rules of the new trust-based working time regulation, e.g., that working hours would not be recorded or that team members would have the

TABLE 2 | Works council participation in different types of innovations.

Innovation type	Focus of works council activity
Human resources innovations	Content contributions ++ Threatened employee interests 0
Software innovations	Content contributions 0 Threatened employee interests ++ Context +
Structural changes	Content contributions 0 Threatened employee interests + Context +/Support +
Work flow changes	Content contributions + Threatened employee interests + Qualification 0

++ strong focus, + medium focus, 0 not in focus.

obligation to coordinate their working time with each other to get tasks done. In the following step, the works council and project leader launched and evaluated three pilot projects in different divisions of the company to test the concept. While the feedback from the participants of the pilot projects was positive, concerns among both employees and superiors were growing. Employees feared that future overtime work would be concealed by the new regulation and superiors suspected that employees would use it to work less. The works council, however, was in constant talks with both groups throughout the project, thus being able to dispel their concerns and win them over.

By contrast, in WF-05, a less successful project on deregulating and streamlining work processes, the works council was almost exclusively dealing with defending employees' interests. He made sure that the job-related activities were not evaluated on the individual employee level, but only on the team or department level so that tracing of individual performance was avoided. The works council also limited the number of performance indicators that would be recorded. Since as a consequence of the project, staff reductions were anticipated, the works council tried to avert layoffs (partly achieved) and even showed acts of resistance against the innovation by recommending employees to fill in activity lists inaccurately.

Of course, this picture is based on a relatively small sample size; no causal conclusion can be drawn from this comparison. Yet, with some caution, a causal test can be tried with the quantitative data and a path analysis.

Quantitative Analysis

First, descriptive summary data of the model variables are presented in **Table 3**.

The mean values for top management and works council influence on the scale from 0 to 6 are $M = 5.39$ and $M = 3.66$, i.e., works council influence is on average 1.73 units lower than management influence. Transposing this negative difference into a positive influence value by adding the scale range of 6 units gives a purely technical average works council influence value of $M = 4.27$ (see **Table 3**). The average intensity of works council participation during the innovation is $M = 3.40$, i.e., above the scale mean of 3, whereas the average score of $M = 2.71$ for employee participation lies below that scale mean. Knowledge growth and coordination capability are assessed quite high with $M = 3.73$ and $M = 4.04$, respectively. Innovation success, which was measured on a scale from -3 to $+3$, averaged just above the scale mean of 0.

The standard deviations vary between 3/4 and 1 scale units, and only innovation success has a low standard deviation of $SD = 0.55$, i.e., half of the innovations lie between 0 and 1. Since success estimations are often a bit upward biased (Scholl, 2004, pp. 15–20, for a validation method mix), about half of the researched innovations are just partly successful, whereas the more successful and the less successful ones each represent one-quarter of the sample (see the preceding paragraph). Thus, this sample mirrors our intention to get a broader array of innovation success for a better examination of relevant success factors.

A more detailed picture of innovation success in the different innovation types on the one hand and the beneficiary on the other is given in **Figure 2**.

Economic success is estimated higher than employee-related success in three of the four types; only IT innovations showed both beneficiaries with the same (low) success. And whereas there are clear economic success differences for the four types with structural changes as most successful, employee-related success was similar in all four types – and not very impressive. **Table 4** shows, even more convincingly, that economic and employee-related success often differs within the single case. While 13 innovations ended with similar results for economic and employee-related outcomes (3 losses, 8 partly successful, and 2 fully successful), the other 22 cases brought

FIGURE 2 | Average economic and employee-related success in the four innovation types.
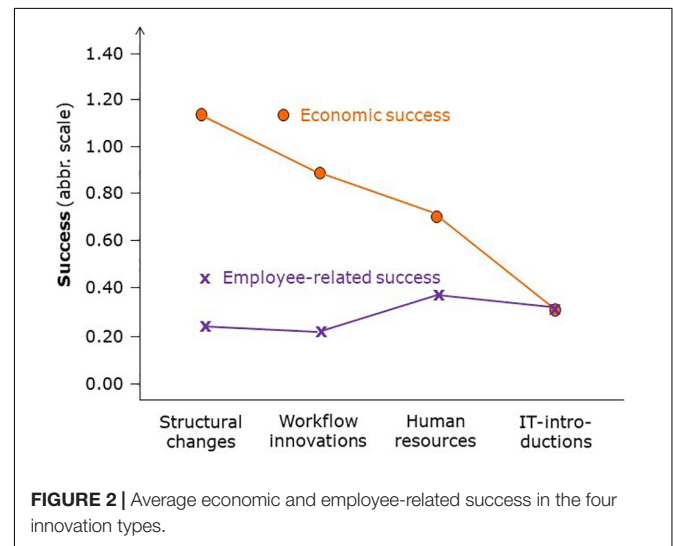
TABLE 3 | Descriptive data of the model variables.

Variable	M	SD	WCI	WCP	EP	KG	CC	IS
Works council influence (WCI)	4.27	1.01	1					
Works council participation (WCP)	3.40	0.99	0.27[†]	1				
Employee participation (EP)	2.71	0.76	0.21	0.47**	1			
Knowledge growth (KG)	3.73	0.71	−0.05	0.02	0.29[†]	1		
Coordination capability (CC)	4.04	0.81	0.09	0.26[†]	−0.09	−0.09	1	
Innovation success (IS)	0.55	0.58	0.08	0.39**	0.30*	0.40**	0.48**	1

**p < 0.01, *p < 0.05, †p < 0.10; n = 44.

Employee success				Σ
	Economic success	<0	0–0,9	>0,9	
<0		3	2	4	9
0–1		5	8	9	22
>1		0	2	2	4
	Σ	8	12	15	35

The categorization is the same as in the combined estimates.

about different economic and employee-related success with 15 favoring economic success and 7 favoring employee success.

Whereas 15 cases were economically quite successful ($M > 0,9$), the same holds only in four cases for employee-related success. Within the overall success cases, only 2 have values of $M > 0,9$ for economic and employee-related success together. Likewise, among the overall less successful cases, there are only three where both subcategories have values of $M < 0$.

Table 3 also exhibits the correlations between the model variables. They show medium to high values with innovation success, except the distal variable of the overall influence of the works council. This is a happy omen for the path analysis which is shown in **Figure 3**.

As can be seen from the indices below **Figure 3**, the empirical data are almost perfectly in line with the theoretical model from **Figure 1**: The χ^2-value with $p = 0.60$ shows that the empirical estimate does not significantly deviate from the theoretical assumptions of the model; the critical *RMSEA* index is zero, and the comparative fitness index (*CFI*) reaches the maximal value of *CFI* = 1.00, while the less biased normed fitness index (*NFI*) is almost as high with *NFI = 0.98*. Yet the β coefficient of the path from works council participation to knowledge growth is near zero and not significant, and H2 is not confirmed. Skipping this path cannot improve the already perfect alignment of the empirical data to the theoretical model.

Now, employee participation is introduced into the model, directed by an inspection of the correlation matrix. Employee participation shows a high correlation with works council participation ($r = 0.47$, $p < 0.01$) and – different from the works council participation – a weakly significant correlation with knowledge growth ($r = 0.29$, $p < 0.10$ versus $r = 0.02$). With these hints, we can specify the expectation E1 that the amount of employee participation has a positive effect on the innovation process: We test this expectation by using employee participation as a mediator between works council participation and knowledge growth, see **Figure 4**.

The fitness indices of this revised model are very similar to the former, only the *NFI* is somewhat lower. On the other hand, degrees of freedom are twice as high (*df* = 8 instead of *df* = 4); that gives a stronger model test which deviates even somewhat less from the enlarged theoretical model ($p = 0.68$ instead of $p = 0.60$). Works council participation has now an indirect total effect of $\beta = 0.14$ ($p < 0.10$) on knowledge growth via employee participation, which replaces the refuted H2. The total effect of employee participation on innovation

success is $\beta = 0.13$ ($p < 0.10$). [An additional positive effect of employee participation on the innovation success via less resistance of $\beta = 0.12$ (p not reported) was found by Shajek, 2013, p. 177]. Confirming the hypotheses H1 and H3, works council participation has positive effects of $\beta = 0.26$ ($p < 0.05$) on innovation success as well as $\beta = 0.26$ ($p < 0.05$) on coordination capability; the latter mediates a combined effect of $\beta = -0.35 \times -0.35 = 0.12$ on innovation success. The total effect of works council participation on the success of innovations, including the indirect effects, via knowledge growth and coordination capability is with $\beta = 0.44$ ($p < 0.01$) as positive as that of the direct determinants, knowledge growth, and coordination capability. Together, the three direct paths raise the explained variance of innovation success to 53% ($R^2 = 0.53$). This is an enormous effect, because a complete explanation could only utilize 80–90% of the variance, the rest are unavoidable measurement errors. The works council influence as a predictor for works council participation during the innovation (H6) can be confirmed, too ($\beta = 0.27$, $p < 0.05$). The total effect of the works council influence on innovation success is only indirect and much lower, with β = 0.12 compared to the total effect of works council participation with β = 0.44 ($p < 0.01$). This result supports the distinction of works council influence as a distal factor on the one hand and works council activities as a proximate factor on the other. Thus, as expected, the proximate factor is a much stronger predictor for innovation success.

Two further aspects have to be mentioned. First, the reported results are not the same for all four innovation types. Controlling the innovation type by means of a so-called cluster analysis (Muthén and Muthén, 2010, pp. 500, 501) may change the standard errors as basis for the significance tests, but cannot affect the path coefficients themselves. The cluster analysis shows a small deviation from the models in **Figures 3**, **4**: The significance of the direct effect of works council participation on innovation success is reduced from $p = 0.01$ to $p = 0.07$, i.e., works council participation is more important for some innovation types and less important for others. A likely explanation for this innovation type dependence is the different extent of works council participation: structural changes and human resources innovations show a stronger participation ($M = 3.60$ and $M = 3.61$) than software introductions and workflow innovations ($M = 3.03$ and $M = 2.99$), although these differences are not significant. Knowledge growth and coordination capability are not dependent on the innovation type, they are equally important for all four types.

Secondly, a differentiation of innovation success into economic and employee-related success reveals some special effects (see the relevant correlations in **Table 5**). The former is important primarily for the economic prosperity of the organization and the latter for the well-being of the employees. First of all, the participation of the works council in the innovation process is positively correlated with both success types, yet a bit more for the employee-related success as the primary focus of works council activities. Employee participation, on the other hand, is primarily affecting the employee-related success, apparently together with relevant knowledge growth, as it is highlighted in the change from
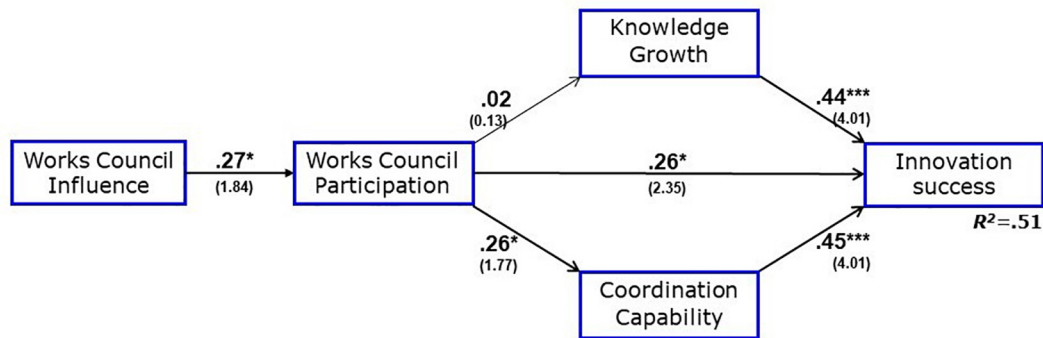
FIGURE 3 | Test of the theoretical model from **Figure 1**. Numbers in bold face next to paths are path coefficients, *t*-values are given in brackets below; R^2 = explained variance.
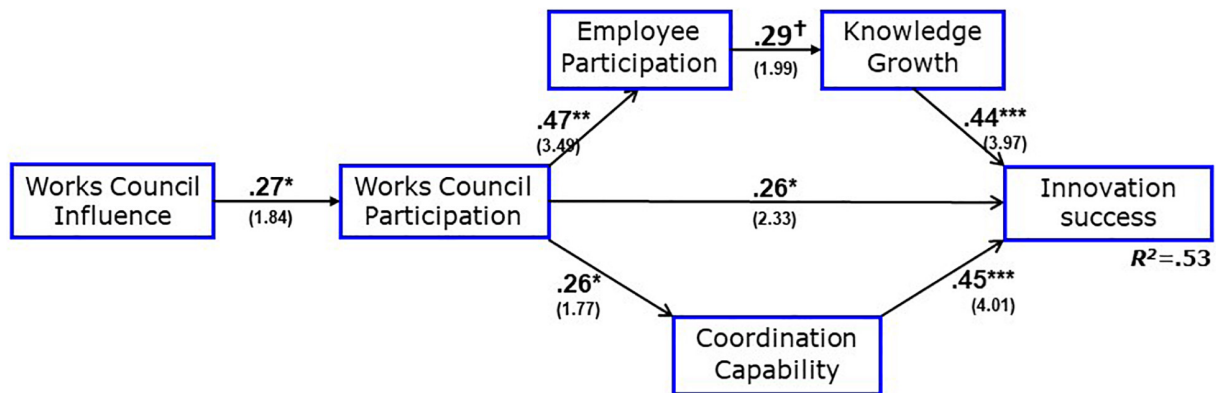
FIGURE 4 | Enlarged model of participation and innovation success. Note see **Figure 2**.

Figure 3 to **Figure 4**. Coordination capability, in turn, is more important for the economic success, which depends heavily on works council participation, as **Figure 4** reveals. The separate inspection of the two subtypes of innovation success complements and differentiates the revised model from **Figure 4**.

DISCUSSION

Before discussing the main results, it must be remembered that the study is about process innovations, not about the more often discussed product or service innovations. While works councils sometimes become active in these other innovations (e.g., Schwarz-Kocher et al., 2011), process innovations often demand more active engagement from works councils. In the following, we separately discuss the qualitative and the quantitative parts of the study but do, sometimes, include results gained from the other method.

Qualitative Part

The qualitative interviews and their preparation and integration to 36 cases of works council participation in innovations exhibit a diverse landscape of co-determined actions. The innovation cases show the relationship between the works council and management on the operational level. They reveal that the legal rights provided for works councils by the German Works Constitution Act are in fact a poor predictor of what is actually

TABLE 5 | Correlations with subtypes of innovation success and their determinants.

Model variable	Economic success	Employee-related success
Works council participation	0.27*	0.33*
Employee participation	0.14	0.33*
Knowledge growth	0.15	0.48**
Coordination capability	0.45**	0.24†

†$p < 0.10$, *$p < 0.05$, **$p < 0.01$, one-sided, n = 44.

happening during innovation processes; they just offer a frame and focus for action. Sometimes, the scope of works council participation goes beyond those rights, e.g., seeking support in the public sphere (SC-07), and sometimes stays behind, e.g., without contributions of own ideas (SC-01). Innovations involve many operational and managerial aspects, a thorough distinction of actions by referring to legal rights would be difficult and hamper the innovation process.

The innovation type has a marked influence on the kind of activities of the works councils. For each type, a different activity profile could be secured which answers research questions 1 and 2 from the literature overview. Works councils actively engage themselves with content contributions if chances are high that they can directly further employee interests, like in the human resources area, and less so, in the workflow cases. And they try to avoid possible violations of employee interests, especially in IT introductions, but also in structural and workflow changes. The IT introductions show that works council activities are also influenced by union guidance in that any work monitoring is excluded by contract (e.g., Klotz, 1987; Ziegler and Grobe, 2014).

Works councils are often less involved in detailed discussions (which is more typical for employee participation), but instead, they watchfully monitor the whole innovation process. They sometimes ask management for more and earlier information to employees (the lower forms of employee participation) and safeguard their direct objections against possible personal disadvantages (Shajek, 2013, p. 153). Like managers, in most cases, works councilors are examining whether the innovation unfolds in the preferred direction instead of participating in the daily task of the project members. It is noteworthy, especially for the European discussion, that the preferred direction of most works councils includes not only direct employee aspects, i.e., aiming at social success, but also the consequences for the firm, aiming at economic success. They may even defend staff reductions if it seems to be economically necessary, and only try to ameliorate the original management plan (e.g., WF-06).

Most cases show a lot of cooperation, whereas active resistance was rare and total opposition was not found at all. Works councils primarily try to safeguard employee interests, including those which are heavily dependent on the economic success of their firm like the number of workplaces. As a consequence, the works councils even promote innovations which lead to some losses for employees to secure the economic aim of the innovation (e.g., SC-04). On the other hand, employee-related losses (9) were not more frequent than economic losses (8, cf. **Table 4**). Works councils also contribute their own ideas, initiate sometimes innovations, and even actively promote some innovations vis-à-vis employees and other stakeholders. Such an active pro-innovation stance was found most often among successful innovations and was almost completely absent among the less successful ones.

Of course, these findings do not allow causal conclusions. Are innovations more successful if works councils participate more actively, or do they engage themselves only if they expect success? The bulk of results refutes the arguments of new institutional economics advocates (see the theory section of this article), who argue that only a pure shareholder orientation of management will secure long-lasting economic success, including innovation success; co-determination will at best not disturb such a policy, but is just too expensive. These arguments have already been refuted in other investigations (e.g., Scholl and Kirsch, 1986). Instead, in line with participation theory, our research confirms that works councils are not inhibitors but promoters of innovations in many cases, because innovations can secure the future competitiveness of their firm and its workplaces. Painstakingly observing employee interests and finding ways to align them with economic challenges is a win–win situation for firms and their employees, which answers research question 3.

The investigated cases deliver rich illustrative material for researchers and practitioners which could not be analyzed here at length. All cases are presented in the Appendix and give hints for the further improvement of industrial relations in the context of innovation processes. They also suggest that successful participation of works councils in innovations depends partly on formal and informal regulations, professional and personal competencies, and attitudes and proclivities; such detailed aspects demand further research. For instance, the interest in and competence of the establishment of innovation tools like idea management systems (HR-11 and HR-12) could be enhanced with a so-called 'innovation promoter training' (Hüttner and Scholl, 2011; Bierbichler and Scholl, 2014). The largest German union, IG Metall, invests heavily in its innovation competence (Ziegler and Grobe, 2014) and has successfully taken up this idea of an 'innovation promoter training' (Erb, 2016).

Quantitative Part

While the qualitative analysis shows an abundance of facts and actions which can only roughly be categorized and summarized, the quantitative analysis concentrates *a priori* on selected variables, which are especially important and theoretically meaningful within a nomological network. For instance, the many different works council actions are condensed into one variable, the extent and intensity of works council participation. The theoretical model (see **Figure 1**) elaborates the causes and consequences of this key variable with one predictor and three consequences leading directly or indirectly to the target variable innovation success. Based on the combined assessments of management and works council members, this theoretical model was statistically almost perfectly confirmed; only the assumed direct contribution of works councils to knowledge growth for the innovation (H2) could not stand the test (see **Figures 3, 4**). Instead, an indirect effect via employee participation replaces this hypothesis. As a consequence, the above-mentioned role of the works council as a collective voice of the workforce (Freeman and Medoff, 1984; Freeman and Lazear, 1995) has to be modified: it is apparently not a messenger role for delivering critical information and alternative ideas of employees to management because they fear being sanctioned. It seems that the risk of employee voice is directly reduced through the visibility of their works council's actions, such that employees become more courageous themselves; this may be especially important at work meetings where employee criticism, resistance,

and opposition can be directly seen and heard by management and supervisors. The expectation E1, that there is a positive effect of employee participation on the innovation process, is confirmed by employee contributions to knowledge growth. Yet this holds especially for employee-related success as the correlations with employee participation and knowledge growth in **Table 5** reveal. Direct employee participation is a worthwhile addition to works council participation, especially for themselves, because they know best what is needed for a good work life. That works councils enhance the knowledge growth for innovations (H2) can be accepted in the modified form of an indirect effect: works council participation safeguards employee participation, which enriches the knowledge base of innovations, especially that of software introductions and workflow changes, as was shown in the qualitative analysis.

The confirmed modified model from **Figure 4** shows three significant influences on innovation success: Knowledge growth and a coordination capability are especially important for innovation success, as the path coefficients of $\beta = 0.44$ ($p < 0.001$) and $\beta = 0.45$ ($p < 0.001$) show, confirming H4 and H5. Both are positively influenced by an intensive participation of the works council, where knowledge growth is influenced indirectly (H2 modified, as discussed above) and coordination capability directly (H3). Coordination capability is especially important for the economic success of process innovations, a contrast to the primary importance of knowledge growth for employee-related success (see **Table 5**). Works council participation influences innovation success also directly with $\beta = 0.26$ ($p < 0.05$), confirming H1. An important part of this direct influence is probably the active support of innovations, which became manifest in the case material. If the indirect influences on innovation success via coordination capability and knowledge growth are added, the combined total impact of $\beta = 0.44$ shows a much stronger confirmation of H1. There are no other investigations into the unfolding dynamics of works council activities with which we can compare these results. But the strong effects of knowledge growth and coordination capability on innovation success found in the path model is absolutely in line with their effects in other innovation studies (So, 2010; Bentz, 2011; Scholl, 2014, 2019).

To judge the positive influence of works council participation in a broader context, three aspects are worth mentioning: (1) While works council participation, coordination capability, and knowledge growth are not the only determinants of innovation success, they do explain 53% of the larger part of the explainable variance (80–90%). (2) Looking at the explained variance of 53%, coordination capability and knowledge growth are not only enhanced by works councils but certainly also by management and especially by the innovation project members. Their combined influence can be estimated in the following way: the quantitative total impact of $\beta = 0.44$ by works council participation gives (squared) an explained variance of $R^2 = 0.19$ (or 19%), i.e., about two thirds of the innovation success explanation (53–19% = 34%; 34%/53% = 0.64) come – via coordination capability and knowledge growth – from such other sources. (3) Our sample is probably a positive selection from the range of industrial relationships in larger firms. A more

representative sample might give even larger effects than the $\beta = 0.44$. Less involved works councils would contribute less to the innovation success and employees might be more reluctant to contribute their ideas, making the strength of combined participation even look brighter. On the other hand, management might find other ways to stimulate a positive innovation climate while ignoring or corrupting a weak works council.

Comparing the results of the qualitative and the quantitative study, their special advantages and disadvantages compensate each other. The qualitative case studies deliver rich material about works council activities under the special conditions of the innovation type but hint on many other specific aspects which are too different to categorize and summarize. The introduction of questionnaire-based success estimates was a first step to show that works council participation is by and large positive for process innovations. The success measures could also illuminate the relation of economic and employee-related success for the four innovation types. Viewed from a European legislation angle, economic success is usually higher than social success even under relatively strong co-determination rights in Germany (cf. **Figure 2**). Yet the mainly cooperative stance of the works councils is also helpful for the represented workforce in that employee losses are confined and positive developments prevail. So, the same conclusion can be drawn for the theoretical discussion between new institutional economics (NIE) and participation theory (PT) from the qualitative material: works council participation does not endanger economic success; on the contrary, it promotes economic success, especially via strengthening the coordination capability as an important prerequisite (cf. **Figure 4** and **Table 5**). The background assumptions of NIE should be changed from aiming at shareholders to include the other stakeholders, especially the employees (Donaldson and Preston, 1995).

The quantitative study cuts through the diverse qualitative descriptions with a few well-proven scientific constructs in order to get the essence out of these manifold processes. Thus, the quantitative study was able to predict the effect of works council participation with a few mediating variables on the success of the innovations and to explain a large part of its variance. Of course, these abstract constructs give only a few hints about action possibilities for practitioners or research gaps for scientists, which is the strength of the qualitative analysis. Yet, one aspect is especially noteworthy from the quantitative study for future research: Why does works council participation have only an indirect influence via employee participation on knowledge growth? The qualitative study hints at a low involvement into detailed discussions and at increasable consultations with concerned employees. Future studies should explore this aspect of works council participation.

Finally, the quantitative study confirms the theoretical usefulness of the chosen scientific constructs and recommends their use in other organizational research, including participation and innovation studies. A basic requisite of collaborative work is to combine a productive division of labor with a well-functioning coordination of the divided work pieces. For all complex problems, division of labor means to collect diverse relevant knowledge and still to keep the number of participants

as low as possible. The more important and momentous decisions are, the more knowledge parts have to be assembled and integrated for reaching the growth of knowledge needed. Like managers who assemble and integrate relevant knowledge for their decisions from their subordinates, so do works councils from selected employees with a special view on the interests of the employees and the economic feasibility of their proposals. Employee participation is helpful, especially for assembling information, but the integration for the whole workforce has to be done by employee representatives like the German works council. The task of integration entails the coordination of several people with their information, experience, and opinions, for managers and works councils alike. It follows that knowledge growth and coordination capability are basic requirements of any complex collaborative endeavor, of participation regulations, innovation attempts, or any other organizational task. And it follows, too, that the participants of such a collaborative endeavor should have the necessary knowledge (parts), motivation, and legitimacy for participation. German co-determination apparently fares quite well in this regard with the election of works councils.

Limitations

Although the quantitative study delivers a clear picture confirming largely the theoretical model, there are several limitations. The most important may be the relatively low number of cases for the quantitative study while it is relatively large for analyzing the qualitative material in detail. With a larger number of cases, the causal model could be extended with one or more variables, e.g., employee resistance (Shajek, 2013, p. 177). This may not only explain more variance in innovation success but also extend the degrees of freedom and thus, enable a stronger path analytic test of the causal order. Yet, even the small model with six variables integrates more causally ordered variables than in most experimental designs of participation and tests a broader integrated nomological net. So, it would be useful to enlarge the number of cases, especially with the developed questionnaire. We would be glad to help other research on further cases with access to our data. A second limitation is the necessity of imputing the data of missing industrial relation partners from the material of other respondents. Here, too, an enlargement of the number of cases with questionnaires from both sides would be helpful. The effects might become stronger, if 44 or more cases were obtained without any missing partner because imputation somewhat lowers the correlations. A third limitation is the minimal number of respondents per case. At least two respondents on either side, i.e., four per case, would raise the reliability and validity of the qualitative and quantitative data. A fourth limitation lies in the interview guideline which was very descriptive so that it was difficult to compare qualitative and quantitative results. While it is a strength to avoid interview biases which might prefer theory-consistent results, it is a weakness if concretizations of theoretical variables are not sufficiently included in the guideline; the latter pertains primarily to concrete phenomena of knowledge growth and coordination capability. Scholl (2014) showed how it is possible to investigate knowledge growth

with interview data in a comparative way over quite different innovation cases by focusing on typical knowledge failures, called information pathologies.

CONCLUSION

The critical stance, or at least skepticism of some scientists, especially economists, and of quite a lot of managers and their representatives against strong legal co-determination rights and an intensive participation of works councils are not warranted, as demonstrated once again for innovation processes by our study. Strong works council participation has not only a positive impact on the employee-related success of process innovations but even more on their economic success. This was convincingly shown with the quantitative data and the path analysis, and it was already visible in the qualitative case material. Both analyses go beyond existing research: The qualitative study reveals not only different degrees of works council and employee participation in innovations but also specific profiles of works council activity depending on the type of innovation. The quantitative study confirms the assumptions of several distinct hypotheses and their combination into a causal model. Both analyses show that looking only at the (non)existence of a works council is not suited to understand the consequences of co-determination, the legal form of indirect participation in Germany. Instead, it is crucial to take into consideration the kind and intensity of works council participation, its combination with employee participation, and the kind of innovation or – in general – the problems to be solved. This raises the question whether the concrete actions of employee representatives in other European and Non-European countries are perhaps more similar to the German case than the legal background. On the other hand, a different national culture may preclude similar actions and similar results. Co-determination is an enduring historical learning process (Welchowski, 1981). Multinational analyses can shed more light on these questions.

Judged from a practical point of view, the innovation cases show that works councils command a broad influence repertoire, from safeguarding threatened employee interests up to proactively co-managing innovations and thereby ensuring the future of the firm. It also became clear that they could profit from specific professional training regarding process innovations, and from more support of and exchange with employee participation and union expertise.

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation, to any qualified researcher.

ETHICS STATEMENT

Ethical review and approval was not required for the study on human participants in accordance with the local legislation and

institutional requirements. The patients/participants provided their written informed consent to participate in this study.

AUTHOR CONTRIBUTIONS

Both authors listed have contributed equally to the work and approved it for publication.

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SUPPLEMENTARY MATERIAL

The Supplementary Material for this article can be found online at: https://www.frontiersin.org/articles/10.3389/fpsyg.2022.795143/full#supplementary-material

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Preferences and Perceptions of Workplace Participation: A Cross-Cultural Study

Sherry Jueyu Wu*, Bruce Yuhan Mei[†] and Jose Cervantez[†]

Anderson School of Management, University of California, Los Angeles, Los Angeles, CA, United States

Despite the amount of theorization on the forms and effects of participation, relatively little research directly examines what the concept of workplace participation entails in the minds of employees, and whether employees across cultures think positively when the concept of participation is activated in their mental representation. Three studies ($n = 1,138$ full-time employees) investigated the perceptions and preferences of full-time employees from the United States and China, cultures that might be expected to differ in their societal participation norm. Using a free association test and text analyses, Study 1 demonstrated that Chinese and American employees differed in their construal of workplace participation, yet both culture groups associated positive valence to the concept of participation. Study 2 showed that employees' preference for workplace participation is positively related to their perceptions of its outcomes on productivity, job satisfaction, and workplace conflict. Study 3 had employees interact with either a prototypically high or low participation work environment and tested whether clear cultural contrasts might occur. American employees expressed unambiguous endorsement and predicted positive outcomes of a high participation workplace, whereas Chinese employees expressed slightly higher endorsement to a low participation work environment and associated it with higher productivity. This research provides insights on how workplace participation is construed by employees from different cultures, especially from cultures where democratic participation is not the normative default. Different perspectives on workplace participation across cultures may inform practitioners of the goals and approaches when shaping a more participatory workplace and a more democratic society.

Keywords: employee participation, cross-culture, productivity, job satisfaction, conflict, norm, perception, China–US difference

INTRODUCTION

Workplace participation is a common concept across multiple disciplines. For example, scholars in social and organizational psychology have focused on the role of worker voice and the design of teams in promoting individual workers' productivity and morale (Lewin, 1947; Wu and Paluck, 2021). Scholars in industrial relations and labor studies have long studied different forms of representative participation, including co-determination and shared governance (Webb and Webb, 1902; Clegg, 1960). Political scientists have theorized the relationship between democratic practices that feature workplace participation and general civic and political engagement in the broader society (Pateman, 1970). Workplace participation is theorized at various levels of analysis by academics and practitioners (Wilkinson et al., 2010).

Despite the popularity of participatory strategies in the modern workplaces, relatively little is known about how the workers—or the targets of workplaces' written or unwritten policies, processes, or regulations—come to understand and construe the concept of workplace participation (Greasley et al., 2005; Jeppesen et al., 2011). The present research shifts the perspectives from the academics and the management to the individual workers. We aim to address three primary research questions: first, how do workers construe workplace participation; second, how do workers perceive the effects of workplace participation on individual-level job outcomes such as productivity and job satisfaction; third, whether there is a cross-cultural preference for a participatory work environment. By addressing these research questions, we aim to shed light on the debate of whether employee participation reflects employees' intrinsic motivation and provides positive outcomes from their perspectives, or whether it is simply an agenda that promotes the interest and values of the employers. We explore these questions through both surveys and experimental studies in the United States and China, two countries with drastically different cultures and political environments: namely, individualistic versus collectivistic, democratic versus nominally communist.

Below, we briefly review past research on workplace participation across different time periods and different disciplines as well as the proposed benefits and costs of participation, with a focus on research from psychology and behavioral science. We then move to the workplace contexts in the US and China, and develop our study hypotheses and experimental designs.

The Employee Participation Debate: Forms and Meanings of Participation Across Disciplines and Times

Employee participation is an interdisciplinary topic that attracts interest from various social science disciplines, including psychology, economics, sociology, political science, among many others (Lucio and Stuart, 2005; Harley et al., 2010; Donaghey et al., 2011; Gollan and Xu, 2015). In psychology and behavioral science more broadly, researchers have defined "participation" as a behavioral process in which influence or decision power is shared between hierarchical superiors and their subordinates (Wagner and Gooding, 1987, p. 241). Defined psychologically, participation is a feeling of involvement in decision processes (Ritchie and Miles, 1970; Schuler, 1980; Miller and Monge, 1986). Extant research has used different meanings and forms of participation, as Heller et al. (1998) noted in their pioneering work at the Tavistock Institute:

In general the term refers to how employees are able to have a say over work activities and organizational decision-making issues within the organization in which they work. Some authors insist that participation must be a group process, involving groups of employees and their boss; other stress delegation, the process by which the *individual* employee is given greater freedom to make decisions on his or her own. Some restrict the term 'participation' to formal institutions, such as works councils;

other definitions embrace 'informal participation,' the day-to-day relations between supervisors and subordinates in which subordinates are allowed substantial input into work decisions. Finally, there are those who stress participation as a *process* and those who are concerned with participation as a *result* (p. 15, emphases in original).

On the employee level, workplace participation takes various forms—it can be direct or indirect. A useful taxonomy was developed by Marchington and Wilkinson (2005), in which they differentiate employee participation into four forms: direct communication, upward problem-solving, representative participation, and financial participation. The first two forms (direct communication and upward problem-solving) are essentially direct and individual focused, oftentimes operating through direct interactions between supervisors and their staff. Some take the form of informal verbal communication, while others are through written information or suggestions. The third form (representative participation) focuses on the role of employee or trade union representatives in discussions between managers and the workforce via mechanisms such as joint consultation or joint working parties (e.g., Kessler and Purcell, 1996), and worker directors or collective bargaining (e.g., Perrett, 2007). The final form (financial participation) often operates through profit sharing or employee share ownership, whereby employees have a monetary stake or extrinsic benefit from their work beyond their salary. These various forms of participation differ in the scope of decisions employees are able to make, the amount of influence they can exercise over management, and the organizational level of analysis at which decisions are made. It is worth noting that the abovementioned taxonomy is not exhaustive. Beside those four forms, there are existing democratically structured enterprises that practice various forms of workplace participation on the organizational level, such as workers cooperatives and employee-owned firms (see Heller et al., 1998; Battilana, 2018; Weber et al., 2020).

It has been pointed out these forms of participation in focus vary across time and also interact with each other in a dynamic way (Deutsch, 2005; Wilkinson et al., 2010). New forms of participation emerge across different time periods, sometimes replacing their precedents while other times coexisting with prior forms of participation. The political and economic environments across different time periods have influenced the emergence and the spread of different forms of participation practices in the workplace, as well as the types of participation research that scholars work on in the academia (Wagner and Gooding, 1987; Deutsch, 2005).

The idea of workplace participation can be traced to as early as Rousseau and other political theorists on the role of industrial democracy and civic engagement (Rousseau, 1968; Pateman, 1970). Noticeably, there might be several societal changes that correlated with the development of different forms of participation research. First, the post-Second World War period witnessed a new era of worker participation, including the 1950s and 60s work at the Tavistock Institute in England, the Yugoslavian system of self-managing socialism, and systems of co-determination and representative workers' councils and the rest (Deutsch, 2005). Parallel efforts from a research team led

by Kurt Lewin, the founder of experimental social psychology, examined group decision making in the Harwood factory in West Virginia of the United States (Lewin, 1947). In the 1970s, the great amount of information flow and workplace innovations drove an enormous growth of participation research and practices in the Global North (Heller et al., 1998). After a major recession in the 1980s, issues of efficiency, productivity, and economic competitiveness—prominent challenges in a recession—became a primary focus in workplace participation. Changes in the nature of work—particularly from manufacturing to knowledge-based work and the shift toward non-unionism and individualism—saw workplace participation shifting focus again with "employee empowerment" becoming prominent in the 1990s and employee commitment and engagement taking over in the last decades (Wilkinson et al., 2010; Royle and Fox, 2011; Gollan and Xu, 2015).

Meta-analyses found a correlation between societal issues in the United States and the questions posed by American researchers, as well as a correlation between researchers' social attitudes and their chosen methodologies of research (Wagner and Gooding, 1987; Crampton and Wagner, 1994). It was shown that the questions asked by American participation researchers mirror the trends of societal issues in the United States. From time-to-time different forms and meanings of participation became popular, even fashionable, and led to a proliferation of terms such as employee involvement, consultation, influence-sharing, decentralization, power-sharing, partnership, empowerment, and so on (Heller, 2003). While participation is the most commonly used term, its lack of clarity may lend itself to inconsistent applications and confusion over its definition. Thus, a potential weakness of the literature on employee participation is its lack of theoretical resemblance between studies that purport to measure or manipulate participation.

Furthermore, most of these participation related terms were coined by researchers interested in studying different aspects of participation. Much of the prior research focused on a deduction process—constructing or taking a form of participation in the workplace and studying its antecedents, outcomes, and evolution. Relatively little is known about how the concept of participation is construed in individual employees' mental representation, and whether workplace participation, as understood by employees, is a good genuinely desired or is more a case of managerial agenda and intellectual debate imposed externally. Much of the literature assumes that employees desire participation and want a say in how they do their work, but some research suggests that we have overidealistic expectations and a tendency to implement participation measures through idiosyncratic social engineering efforts (Stein and Heller, 1979; Heller et al., 1998; Markey et al., 2013). While autonomy and social relatedness—important dimensions of participation and voice—is considered a universal need from a large amount of cross-cultural evidence (Deci et al., 2017), the desire for more influence or involvement might not be manifested in all contexts. Instead, employees' desire for participation in specific issues may be determined by the congruence of the focal issue with their daily job functions, and whether a participation scheme is perceived to be genuine (Hespe and Wall, 1976; Liverpool, 1990;

Kahnweiler and Thompson, 2000). Employees might not want more influence than what they thought they already had (e.g., voluntary non-participation, Heller, 1998); instead, employees' social identification (Platow et al., 2015), specific organizational characteristics (Markey et al., 2013), and large societal cultures play important roles. For example, Jeppesen et al. (2011) investigated whether employees desire more participation and influence in their organizations by looking at who employees think should have more influence. They found that workers would want those already in charge of one area of work to have more influence in that area. In addition, their desire for influence was congruent with the influence they already have.

An interesting research question stemming from the literature on general workplace participation is given the current societal arrangements—the rapid pace of globalization, the trend toward knowledge-based work, non-unionism, and individualism—what forms of participation are salient from workers' perspectives? We predict that individuals' perceptions of workplace participation will vary based on societal prevalence of different participation forms. Given the trend toward non-unionism and individualism, direct participation—categorized as direct communication and upward problem-solving in Marchington and Wilkinson (2005)—should be better represented in employees' mindset than less direct forms of participation such as representative participation and financial participation.

Relatively little research within psychology has directly examined what the concept of participation entails in the minds of employees, and what valence it elicits when the concept of participation is activated in individuals' mental representation. Through qualitative research on four major construction projects, Greasley et al. (2005) illustrated a gap between management's expectations and employees' perceptions regarding workplace empowerment and pointed to the importance of exploring employee perspectives and the scarcity of this type of research. Khandakar et al. (2018) conducted 57 structured interviews in India's banking industry and found a positive association between involvement in decision-making and the effectiveness of decision implementation and organizational performance.

The current research shifts perspectives from the academics or practitioners to individual employees who experience various forms of participation in their workplaces. Through free associations and text analyses, we elicit qualitative mental representations from employees and analyze the overarching content and valence associated with workplace participation using a mixed methods design. Recruiting full-time employees in different industries from the United States and China, we aim to provide insights on how employees define and understand workplace participation, and whether a cross-cultural preference for a participatory work environment exists.

The Normative and Perceived Impact of Workplace Participation

The extant literature is predominantly Western centered, meaning the type of participation policies, processes, and experiences are primarily studied in the context of a Western

democratic world (with the exception of Japan's self-management practices pioneered in its automobile industry; it's noteworthy Japan is still nominally a full democracy). Some argued that value-based endorsement of participation is a major contributor for participation research. Participation is a value rooted in Western political ideology. Modern notions of group participation echo 18th and 19th century western philosophical thought embodied in writings from Rousseau and John Stuart Mill, who argued that participation serves an educational function and trains individuals to be responsible citizens (Pateman, 1970). However, participation may not be universally valued in the structure of societies' workplaces and institutions. For instance, in some East Asian cultures, endorsement of strict social hierarchies featuring minimal participation is prevalent in philosophical literatures. As a particular case in point, Confucianism denotes a basic set of moral principles for women (Three Obediences and Four Virtues), which emphasize absolute obedience for females to their male counterparts. Even though these behavioral codes have been abandoned, they have shaped East Asian cultures to the extent that harmony and obedience might be prioritized over participation and dissent (Landry, 2008; Truex and Tavana, 2019). Thus, an investigation on the perceived benefits of participation is necessary in non-Western societies. Do cultural beliefs in the benefits of participation vary? Or is participation perceived as a more universal good, and just used to differing degrees across different human contexts?

The perceived benefits, or outcomes of workplace participation, are featured prominently in debates (Kessler and Purcell, 1996; Harley et al., 2010; Knudsen et al., 2011; Gollan and Xu, 2015). Participation researchers and practitioners have used various outcomes to assess the impact of participation. From an organizational perspective, research has focused on short-term impacts on productivity or profitability, while some have adopted longer-term measures such as the well-being of and the trust between management and labor (Kessler and Purcell, 1996). Recent field experiments also found that participation in local work groups has spillover effect on employees' outlook toward the society including reduced authoritarianism and belief in a just world (Wu and Paluck, 2020).

In psychology and behavioral science, a number of theories exist to explain the benefits of workplace participation. First, participation may flatten social hierarchy in one's local group and the organization, by sharing influence, decision power, or more general involvement between group members and supervisors. A less hierarchical group structure may reduce conflict among different group members and therefore increase performance (Bunderson and Reagans, 2011; Greer et al., 2017). Second, participation amplifies information sharing and builds competence for individual employees (Locke and Latham, 2002; Heller, 2003). Lastly, participation increases opportunities to voice one's perspective in decision-making processes (Vroom and Yetton, 1973). The direct experience of having one's voice heard by group members may be a motivational force for behavioral change (Tyler and Blader, 2003; Wu and Paluck, 2021).

Relatedly, several prominent psychological theories such as the self-determination theory and procedural justice theory suggest a positive perception of workplace participation and

its outcomes. Self-determination theory (SDT) postulates that individuals have innate psychological needs for competence, autonomy, and relatedness (Deci and Ryan, 2000; Deci et al., 2017). These needs are likely to be influenced by participatory decision making at work because participation in group decision-making allows employees to feel that work goals and outcomes are within their control as they actively involve themselves in the decision-making process, compared to when a decision is handed over to them. This is consistent with procedural justice theory as well—when individuals participate in a decision-making process, they can observe the contingency between goal setting and its completion, increasing the perceived procedural justice of the decision process (Thibaut and Walker, 1975; Tyler and Blader, 2003). Consequently, employees may also increase their appreciation for the workplace authorities that facilitate the participatory experience and increase their decision satisfaction (Tyler and Lind, 1992). Indeed, there is consistent support for the positive relationship between participatory decision-making at work and job satisfaction (Miller and Monge, 1986; Foels et al., 2000).

Meanwhile, a cluster of factors explain the cost of participatory practices (Jensen and Meckling, 1976; Hanushek et al., 2013). One commonly cited explanation is the misalignment of incentives between principals (e.g., employers) and agents (e.g., employees) in organizations (Jensen and Meckling, 1976; Dessein, 2002; Bandiera et al., 2021). Allocation of authority to the agents might exacerbate opportunistic behavior, responsibility shirking, and agency conflict (Jensen and Meckling, 1976; Mansuri and Rao, 2013). Furthermore, it might enable workers to coordinate and protest for demands such as a fair wage and better working conditions, which employers might not value to the equal extent. Some research demonstrates the tendency of marginalizing employee participation due to employers' dominant concerns of its negative impact on efficiency or on economic growth (Kessler and Purcell, 1996).

Empirically, the benefits and costs of workplace participation vary depending on the specific outcomes measured. A study surveyed American full-time employees on their predictions regarding participation, productivity, and job satisfaction (Wu and Paluck, 2021). Over half (55.3%) indicated that a high-participation group structure in which "workers discuss work strategies in an open discussion and set goals for themselves" would be *less productive* compared with a low-participation group structure in which "a supervisor talks about work strategies in a lecture and set goals for each worker," while the majority did predict that the high participation group would be more satisfied at work. The effects of participation, broadly defined, on group members' behavior vary from positive to null and even some negative effects (e.g., Latham and Yukl, 1976; Richter and Tjosvold, 1980; Schuler, 1980). According to meta-analyses, some of the inconsistent findings for the effects of participation on behavior can be attributed to methodological variations. Strong correlations between participation and behavior seem to rely on individuals' self-reports: $r = 0.39$, while studies that measure participation or behavior with multiple methods reveal a small average correlation of $r = 0.12$ (Wagner and Gooding, 1987; Crampton and Wagner, 1994). However, using

objectively measure productivity and participation behavior, a recent large-scale field experiment (Wu and Paluck, 2021) demonstrates that a participatory vs. a hierarchical group meeting structure caused a 10.6% increase in worker productivity, which endured for an extended period of time even after the experiment ended. Participatory meetings also increased treatment workers' retention and feelings of empowerment such as job satisfaction and sense of control. Experimental evidence in the field is valuable in estimating the causal direction as well as the effect magnitude of participation schemes in different cultural contexts.

Another contested question pays attention to the legitimacy of workplace participation: whether workplace participation really provides employees increased voice and well-being, or whether it is simply a managerial agenda that primarily promotes the interests of employers. In other words, instead of a "contested terrain," is workplace participation more of a "captured terrain" (Gollan and Xu, 2015, p. 9)? We try to investigate this question by shifting perspectives from a top-down deduction to a bottom-up induction process, starting from the workers' point of view. Certainly, there are limitations to this approach that we will discuss at the end of the paper, but this will give us a fresh perspective on the debate. That is, from a worker's point of view, do they value workplace participation as a driver of productivity and well-being, or more of a managerial agenda that deviates from the workers' interests? We are particularly interested in employees' expectations of the outcomes from participation: whether employees across cultures regard workplace participation as a boon or a bane for their performance and well-being, especially from cultures where democratic participation is not the normative default.

Specifically, we will investigate employees' perceived outcomes of workplace participation, focusing on three important dimensions: productivity, job satisfactions, and conflict. Productivity refers to the efficacy of workplace participation stemming from the perspectives of both the management and employees. Job satisfaction represents employees' affective response, which serves as an umbrella construct covering the perceived quality of the work environment and culture, and employee interest and well-being. The first two measures are commonly studied in the past literature as primary outcomes of workplace participation. Past research argues that satisfaction levels might be a more proximal indicator of workplace participation, while productivity might be a more distant indicator, which depends on the interplay of other individual and group level factors, such as job demands and resources (Demerouti et al., 2001). In the present research, we include a third dimension—workplace conflict, or the antithesis of harmony. On one hand, research suggests that a flatter hierarchy and higher level of group participation might facilitate organizational performance through reduced intragroup conflict (De Wit et al., 2012; Greer et al., 2018). On the other hand, some have suggested the conflict between authentic participation and efficiency: managers may embrace the idea of participation because it has become a "popular mythology" (Heller, 2003, p. 147), but acting on it may engender their managerial prerogative and induce workplace conflict (Argyris, 1993). We

adapt our survey measures from established scales on perceived productivity, job satisfaction, and workplace conflict—three potential indicators of workplace participation.

We explore employees' preferences and perceived outcomes of workplace participation by focusing on two contrasting cultures—the United States and China. The United States and China are known to be distinct on various dimensions: West and East, individualistic and collectivistic, independent and interdependent cultural orientations, democratic and nominally communist (Nisbett and Masuda, 2003; Wu et al., 2018). As major competitors in today's global world, the United States and China have differing ideologies, in the past and in the present, even if both now function as market economies. The two societies seemingly differ, and little empirical participation research has ventured out of the Western democracies—but how do they vary on employees' preferences and perceptions of workplace participation?

Review of Hypotheses

The current research aims to investigate the preference and perceived outcomes of workplace participation among employees in mainland China and the United States.

We made the following hypotheses based on theories and empirical evidence:

> Hypothesis 1: Employees differ in their mental representations of what workplace participation generally means. Because China and the United States differ in the prevalence of democratic and workplace participation of their citizens and employees, we predict that individuals' mental representations of workplace participation may reflect the societal norms and thus will differ across cultures.
>
> Hypothesis 2: In both cultures, preference for workplace participation predicts perceptions of (a) increased productivity, (b) job satisfaction, and (c) reduced workplace conflict. According to Weber et al., 2020's meta-analysis, employees' perceived participation in organizational decision-making is positively related to a series of psychological outcomes such as job satisfaction, work motivation, prosocial work behaviors, among many others. Therefore, we predict employees' preference for workplace participation is related to similar psychological and performance outcomes.
>
> Hypothesis 3: Chinese employees show a stronger belief that workplace participation will undermine worker productivity and increase conflict than American employees. Hypothesis 3 is exploratory as there is little systematic cross-cultural research on the *perceived* effect of workplace participation on conflict. From prior qualitative work of the first author of the paper, it was not uncommon for supervisors in China to describe outspoken workers as "trouble-makers" who would introduce conflict and disrupt a "harmonic" environment of a work team. While such perception might not reflect the reality on how assertive workers influence group dynamics, the perception of participation as an obstacle to group cohesion could

negatively impact the adoption of workplace participatory schemes and therefore is worth exploring. Here, we make this preliminary prediction, acknowledging its purely exploratory nature.

Hypothesis 4: Employees in both cultures generally prefer a participatory work environment to a non-participatory work environment. The desire for more participation and influence at work may not be always applied to every single domain (Jeppesen et al., 2011). However, because a participatory work environment is likely to increase one's sense of relatedness and autonomy, which is deemed as fundamental needs across cultures (Deci and Ryan, 2000; Deci et al., 2017), we predict that employees *in general* prefer participation to non-participation as workplace norms.

Current Studies

Three studies test these hypotheses. Study 1 administered a word-association test and asked employees in mainland China and the United States to spontaneously generate as many concepts (e.g., words, phrases, and emotions) as possible associated with workplace participation. We conducted text analyses using Linguistic Inquiry and Word Count (LIWC) as well as manual coding by three independent coders to investigate the content and valence associated with workplace participation from an employee's perspective. Text analysis provides an efficient method for studying the various emotional, cognitive, and structural components present in written samples (Tausczik and Pennebaker, 2010). Content word categories explicitly reveal where individuals are focusing, which would provide key insights for Hypothesis 1. Study 2 assesses employees' preference for workplace participation and its outcomes with Likert-scale items, testing hypotheses 2 and 3. We have adapted and cross-validated these survey items in both cultures to measure preference and three dimensions of participation outcomes: productivity, job satisfaction, and workplace conflict. Study 3 is a within-subject experiment that randomly assigned participants into a hypothetical participatory work environment and a non-participatory work environment in order to elicit their perceived desirability of working in each work environment and the downstream attitudes of participation at work, testing hypothesis 4. Studies 2 (China data collection) and 3 were pre-registered.

This research should add to our understanding of employees' spontaneous preferences and associations of workplace participation, and shed light on the use of participatory work practices as a change vehicle to both workplace behavior and attitudes. First, negative perceptions of workplace participation effects, if any, may reveal obstacles of using workplace participation as an intervention to improve company and individual performance, especially in non-Western cultures. Second, different perspectives on workplace participation across cultures may also inform practitioners of the goals and approaches they may prioritize when shaping a more participatory work environment and a more participatory society with an increasingly diverse population.

STUDY 1

Study 1 investigates the spontaneous associations employees make when they think about the concept of workplace participation and uncovers any valence behind the automatic associations.

Method

Participants

Study 1 was a descriptive study. We aimed for 150 full-time employees from each culture; a total of 360 full-time employees across different industries in both the United States and mainland China participated in the study. American employees ($n = 149$) were recruited from Amazon Mechanical Turk on May 18th, 2021 (40.27% women and 59.06% men; $M_{age} = 38.56$ years, $SD_{age} = 11.97$, $range = 18$–80 years; 73.82% identified as White or European American, 8.72% Black or African American, 7.38% as Asian or Pacific Islander, and 4.03% Hispanic). We only recruited participants who were currently employed in a full-time job (over 35 h per week). Chinese full-time employees ($n = 211$) were recruited on June 7th, 2021 from Wen Juan Xing, an online crowdsourcing platform in mainland China that provides functions equivalent to Amazon Mechanical Turk (55.92% women and 44.08% men; $M_{age} = 32.94$, $SD_{age} = 7.59$, $range = 21$–65 years). Employees were compensated for their participation in the study (see **Supplementary Appendix Table 1** for detailed demographic summary for the cross-cultural sample for all three studies).

Procedure

Employees completed a free-association task where they made free associations with the concept of workplace participation. Specifically, they were asked to write down as many words, phrases, or sentences that immediately came to their mind while thinking about worker participation (员工参与 in Chinese), based on their first thoughts, beliefs, experiences, or impressions related to the concept. After the free association task, we collected standard demographics information including gender, age, race and ethnicity (in the United States), education, occupation, and general political ideology.

All participants were tested in their native language. The study material was first developed in English and then translated (with back translation) into simplified Chinese. Two bilingual researchers cross-checked to make sure the survey content was equivalent across languages. This procedure was followed for all studies reported in this paper.

Results

Overarching Categories

By a word count, American participants ($M = 17.73$, $SD = 13.51$[1]) wrote longer than Chinese participants did ($M = 12.70$, $SD = 11.74$), which could be a proxy for the number of associations generated. To better understand the semantic

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[1] We removed a word count outlier (word count = 886) in the United States dataset, who copied and pasted paragraphs from public sources. When this outlier was included in the United States word count, $M = 23.56$, $SD = 72.39$.

TABLE 1 | Major categories of associations with workplace participation in American and Chinese samples.

Major category	Scope	Example responses
Extrinsic	External rewards or costs of participation	Money, time cost, what it takes, and how much paid. 发奖励, 提高工资, 持股, 分红
Teamwork	Teamwork, group dynamics, concepts of sociality or collectiveness	Working together, teamwork, and cooperate. 合作, 集体活动, 团队
Negative valence	Words of negativity or disproval	Annoyed, lazy, stressed, overworked, and low-paid. 有内幕, 被动, 很反感, 忽悠
Ideology and hierarchy	Workplace hierarchies, high-level work ideologies; politics-related concepts (in China)	Equality, democracy, hierarchy, and moving up the ladder. 民主, 平等, 员工和管理层, 投票选举
Positivity	Universally positive traits; positive and encouraging language	Active, responsible, friendly, and integrity. 开心, 主动积极, 进取, 有收获
Socializing outside of work (unique to China)	Behaviors or activities shared by the work team outside of the work context	(Casual chatting, team development, traveling, picnic, and games). 社交聊天群, 团建, 旅游年会, 聚餐玩游戏
Management rules (unique to China)	High-level company management, rules, structures and/or executive decision making	(Company rules on decision, suggestion, and improvement). 有决策权, 给公司建议, 参与决策管理, 参与提升管理
Actions and procedures (unique to United States)	Concrete actions and activities that can be performed in a workplace context, as opposed to general abstract ideas	Having a meeting, group discussions, welcoming new colleagues, and completing projects
Effort (unique to United States)	A certain level of focus, dedication, effort, attention, etc.	Effortful, hard work, pay attention, and do the best work.

content associated with workplace participation, three independent research assistants (including two bilingual English–Chinese speakers) clustered all the associations into major overarching categories by grouping words and phrases with similar meanings together (see **Table 1**; refer to **Supplementary Appendix B** for details on the coding procedure). Then two bilingual coders coded each participant's responses into these categories. The percentage of agreement between the coders was 94.0% ($\alpha = 0.78$) for the Chinese data and 94.4% ($\alpha = 0.74$) for the English data (Krippendorff, 1980).

Table 2 shows the most common categories of associations generated by American and Chinese employees, ranked by the frequency mentioned in each culture group. First, the associations of workplace participation generated by American employees were more diverse (in terms of major categories mentioned per employee: $M_{us} = 3.06$, $SD_{us} = 1.07$) compared with the associations of Chinese employees, which were likely to be focused on a single category [$M_{cn} = 1.36$, $SD_{cn} = 0.73$; $t_{(240)} = 16.83$, $p < 0.001$, $d = 2.17$]. For the overlapping categories of associations, we used a logistic regression to compare the probability of which American and Chinese employees in our sample would mention each category of associations. Results indicate that American employees were more likely to mention all of the overlapping categories between cultures except for the *Ideology and hierarchy* category (see **Supplementary Appendix Table 2** for how results vary based on group membership). In other words, an American employee was more likely to touch base on multiple aspects of workplace participation than a Chinese employee. A Chinese employee was more likely to elaborate on one or two focused dimensions when they thought about workplace participation.

There were both similarities and differences in free associations across the two culture groups. Associations that belong to categories such as *teamwork* and *positivity* were

common—both ranked as the top two across cultures. The two culture groups, however, differed in their most frequently generated categories: *Effort, actions and procedures, and extrinsic* came up in the top five for American employees, whereas *management rules, ideology and hierarchy, and socializing outside of work* were among the top five for Chinese employees. Among these categories, *extrinsic* referred to the tangible outcomes of participation such as rewards or costs; both *effort* and *actions and procedures* referred to the process of participation—the former focused on the level of dedication and engagement while the latter focused on concrete activities and actions performed as part of a participatory scheme in a workplace, as opposed to abstract ideas. On the other hand, *management rules* and *ideology and hierarchy* referred to high level abstract associations of workplace participation, while *socializing outside of work* referred to social activities outside a workplace context. The results suggest that American employees' participation associations were more

TABLE 2 | Frequency ranking of categories of associations with workplace participation generated by American and Chinese employees.

Rank	Americans (*n* = 149)	Chinese (*n* = 211)
1	Positivity (64.2%)	Teamwork (35.5%)
2	Teamwork (58.8%)	Positivity (32.7%)
3	Effort (54.1%)	Management rules (27.0%)
4	Actions and procedures (36.5%)	Ideology and hierarchy (16.6%)
5	Extrinsic (27.7%)	Socializing outside of work (13.3%)
6	Ideology and hierarchy (23.0%)	Extrinsic (10.0%)
7	Negative valence (12.2%)	Negative valence (9.0%)

Numbers in parentheses indicate the percentage of employees who contributed to each category. American employees ($M_{us} = 3.06$, $SD_{us} = 1.07$) were more likely to mention multiple categories of participation associations, while Chinese employees [$M_{cn} = 1.36$, $SD_{cn} = 0.73$; $t_{(240)} = 16.83$, $p < 0.001$, $d = 2.17$] were more likely to elaborate on one or two focused categories of associations.

concrete and action oriented, whereas Chinese employees' participation associations tended to be more distant (in terms of its relevance to a focal workplace) and more high-level or abstract. In particular, *management rules* was a unique major category that referred to the high-level management philosophy such as the sharing of executive decision making, which was a relatively common association among Chinese employees but rarely mentioned by American employees. *Socializing outside of work* is also a unique major category to Chinese employees, which referred to casual team building activities outside of work, such as group picnic and traveling that was not directly related to work but was done with work teammates. These disparities in participation associations may reflect the difference in culture between the two groups, the prevalence of different workplace participation schemes, and more broadly, how employees understand workplace participation from their own perspectives.

We also found qualitative cross-cultural differences of responses within the same category. For example, when participants expressed negative attitudes toward workplace participation, the Chinese employees frequently expressed a sense of distrust with words and phrases such as ulterior motives (有内幕) and cheating (忽悠). However, we did not observe the same for the American sample, who used a larger variety of negative words that did not show a clear pattern of negativity. In addition, when participants mentioned concepts related to *ideology and hierarchy*, Chinese employees tended to associate political concepts such as democracy and equality to participation, while American employees used more general terms about workplace hierarchy such as boss and moving up the ladder, which might suggest that workplace participation has been more politicized in China. Interestingly, there was no explicit mention of representative participation forms such as unions, worker representatives, or collective bargaining from employees in either culture group.

Further Linguistic Analysis

As a robustness check, we further analyzed the content and valence of employees' freely generated associations to workplace participation using a word usage counting tool—Linguistic Inquiry and Word Count (known as LIWC, Pennebaker et al., 2001). LIWC is a software program that assesses the occurrence of a word or a category of words in text files and is validated in multiple languages including English and Mandarin Chinese. Each of individuals' generated associations was formatted as a single plain text file. LIWC reads one word at a time in each target text file and writes more than 80 variables that correspond to the linguistic and psychometric properties of the text file, including summary language variables, linguistic dimensions, grammatical usage, and psychological processes. For the purpose of the current study, we focus on the psychological constructs of the text analysis. The internal and external validity of the psychological constructs (e.g., positive and negative emotions and cognitive strategies) has been assessed in numerous studies and these constructs are generally considered valid across cultures (Tausczik and Pennebaker, 2010).

We used LIWC 2007 Dictionary for the text analysis on both American and Chinese responses. It relies on an internal default dictionary that defines which words should be counted in the target text files and increments a particular domain (e.g., affective processes; also known as sub-dictionaries) when words within such domain are tapped. We are particularly interested in the psychological constructs that include six domains that capture the psychological processes involved in the texts. Unlike the human coding analysis that generated overarching content categories, LIWC text analysis focuses on the common processes that are shared in communication. By tapping into the relative rankings of these common processes in both culture groups, we generate insights into the construal level of employees when they think about participation.

In both groups, the occurrence of perceptual and biological processes was low (see **Table 3**), which was not surprising as the concept was unlikely to be directly linked to biological and sensory experiences like eating and drinking. The interesting distinction lies in the most heavily focused psychological process in each culture. Affective processes, including the expression of positive and negative emotions, were the most active in American employees' responses. In other words, American employees associated more emotions and feelings to participation. Specifically, they tended to associate more positive affects (667.68 in Chinese and 1808.44 in the United States) to workplace participation than negative affects (91.32 in Chinese and 342.90 in the United States). This is consistent with the category coding analysis above. Cognitive processes, including abstract level thinking, were the most active in Chinese employees' responses. This is also consistent with the finding that Chinese employees tended to associate high-level management rules and political ideologies to workplace participation. Social processes were active for employees in both cultures, suggesting a high level of human interaction and collective processes in the concept of workplace participation as people understand it.

Discussion

Using a free association paradigm, Study 1 uncovered qualitative associations with workplace participation in both the United States and China, giving us a better understanding of what workplace participation means from employees' perspectives. *Positive valence* was frequently mentioned by both culture groups, suggesting a general preference or liking associated with workplace participation. *Teamwork* was the most frequent association in the United States and the second most frequent

TABLE 3 | Linguistic inquiry and word count (LIWC) text analysis results.

Rank	Americans employees	Chinese employees
1	Affective processes (2155.68)	Cognitive processes (2585.02)
2	Social processes (2150.73)	Social processes (2362.12)
3	Cognitive processed (1989.99)	Relativity (1557.31)
4	Relativity (1394.33)	Affective processes (844.57)
5	Perceptual processes (407.41)	Perceptual processes (144.5)
6	Biological processes (218.24)	Biological processes (102.57)

Numbers in parentheses indicate LIWC's calculation of total category frequency based on its text analysis. The Relativity domain refers to the activation of motion, space, and time.

association in China. This suggests that participation is seen as inherently a group process. In the meantime, there were culturally unique associations—such as *socialization outside of work* and the mention of democracies for Chinese employees and *concrete actions* and *effort* for American employees. Even within a major association category, the two culture groups emphasized different aspects.

These qualitative insights inform the survey development in Study 2. Next, we build on these qualitative insights and prior established scales (e.g., Dundon et al., 2004; Wu and Paluck, 2020) to construct a survey that assesses employees' preference for workplace participation and their perception of its outcomes with Likert-scale items.

STUDY 2

Study 2 tests questions on whether employees from the United States and China would in general prefer a higher level of workplace participation, as well as how both culture groups perceive the normative impact of workplace participation. We focus on three dimensions of workplace outcomes: employee productivity, work satisfaction, and workplace conflict. We hypothesize that while people from both cultures may prefer workplace participation and perceive it as conducive to employee work satisfaction, there may be cultural differences in their perceived benefits of participation to organizational productivity and reduced conflict. The Study 2 of the Chinese survey was pre-registered on AsPredicted[2].

Method

Participants

United States full-time employees (n = 150) were recruited through Amazon Mechanical Turk (Mturk) on August 27th, 2021. 5 participants failed the attention check questions[3] and were excluded from data analysis. The final sample was comprised of 145 fulltime employees (30.34% women, 69.65% men; M_{age} = 35.64 years, SD_{age} = 10.34, range = 22–67 years; 79.31% identified as White or European American, 9.66% Black or African American, 4.83% as Asian or Pacific Islander, and 2.07% Hispanic).

Chinese full-time employees (n = 205) were recruited on October 13th, 2021 through Wen Juan Xing, an online crowdsourcing platform in China. No participant failed the attention check questions. The final sample was comprised of 205 fulltime employees (64.88% women, 35.12% men; M_{age} = 30.51 years, SD_{age} = 5.79, range = 21–45). Participants were compensated for their participation in the study.

Procedure

The survey was administered online through MTurk in the United States and Wen Juan Xing in China. The survey primarily

assessed participants' preferences for different dimensions of workplace participation and their perceptions of participation's impact on their job outcomes. The survey consisted of four parts: preference for workplace participation (including preference for participatory work decisions, e.g., "I wish to carry out my work in the way I think is the best"; and preference for a flattened hierarchy, e.g., "I'd prefer to work as a partner of my manager as opposed to as a subordinate"; Cronbach's a = 0.74), participation effect on employee productivity (e.g., "Companies that let their employees talk more generally have higher productivity"; Cronbach's a = 0.61), participation effect on employee job satisfaction (e.g., "I feel happier at work when I can express my thoughts on work related issues"; Cronbach's a = 0.72), and participation effect on workplace conflict (e.g., "Companies that let employees talk more would experience more chaos"; Cronbach's a = 0.76). The survey items were measured on a 7-point Liker scale from 1 (strongly disagree) to 7 (strongly agree) for both culture groups. See the **Supplementary Appendix** for the full survey and descriptive statistics.

Even though productivity, satisfaction, and conflict are well-established constructs in organizational psychology, no established scale is available to directly measure employees' *perceived effect* of workplace participation on these constructs. In other words, we are interested in the perceived effects, rather than the relative levels of the participation outcomes. We developed the survey items based on past studies on participation and employee voice (Dundon et al., 2004; Wu and Paluck, 2021) as well as the common themes of workplace participation emerged from the Study 1 data. Dundon et al. (2004) conducted a qualitative investigation on managerial interpretations of employee voice and extracted themes such as individual (dis)satisfaction and collective organization. We refined the dimensions that Dundon et al. (2004) extracted based on the free association results in Study 1. For the assessment of participation preference, we focused on participants' preference for participatory work decisions and hierarchy because these were the dimensions that clearly emerged from the Study 1 data.

In addition, we measured employees' baseline level of participation in workplace, family, and social life using items adapted from Wu and Paluck (2020), with a 7-point Likert scale (Cronbach's a = 0.73). Sample items include "How often do you follow news about politics, e.g., in the daily newspaper, on television, or on the radio?" and "I speak up and also encourage others go get involved in work meetings." Demographic data (age, gender, occupation, education, and political alignment) were collected at the end of the survey. All items were translated (with back-translation) into Mandarin by two Chinese–English bilingual speakers and were further refined through informal interviews with an independent convenience sample of Chinese participants with similar demographic information as those in the main study.

Results

First, we regressed the dependent variables of interest on the culture dummy variable (0 = United States, 1 = China) and a set of demographic variables including gender, education, and occupation background. Consistent with the hypothesis,

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[2] https://aspredicted.org/blind.php?x=9PQ_P4H

[3] There were two attention check questions mixed in the survey. One question asked participants to select "Somewhat Agree" while the other asked participants to select "Strongly Disagree." We exclude the 5 participants who failed to respond to either question as directed.

both Chinese employees (M_{cn} = 4.69, SD_{cn} = 0.64) and American employees (M_{us} = 4.59, SD_{us} = 0.79) exhibited a general preference to workplace participation, conceptualized as participatory decision making and shared influence between hierarchical superiors and their subordinates at work. The group means were both above the mid-point 4 (neutral) on a 7-point Likert scale, but not much, suggesting an overall slightly positive valence. There was a marginally significant difference in the general participation preference between the two cultural groups [β = 0.14, $t_{(340)}$ = 1.72, p = 0.09, d = 0.19].

For the perceived impact of workplace participation, we did not have explicit hypotheses regarding cross-cultural differences *ex ante* except for perceived productivity and workplace conflict. We used the same analysis strategy and found that contrasting to the hypothesis, Chinese employees reported significantly higher productivity from workplace participation [M_{cn} = 5.25, SD_{cn} = 0.80; M_{us} = 4.98, SD_{us} = 0.98; β = 0.26, $t_{(340)}$ = 2.60, p = 0.010, d = 0.28], higher level of job satisfaction from workplace participation [M_{cn} = 5.39, SD_{cn} = 0.78; M_{us} = 4.78, SD_{us} = 1.22; β = 0.60, $t_{(340)}$ = 5.31, p < 0.001, d = 0.58]. Interestingly, consistent with the hypothesis, we did find that Chinese employees were more likely to associate workplace participation with workplace conflict [M_{cn} = 4.39, SD_{cn} = 0.85; M_{us} = 3.94, SD_{us} = 1.30; β = 0.42, $t_{(340)}$ = 3.43, p < 0.001, d = 0.37]. See **Table 4** for complete regression results.

Because we estimated four dependent variables from the survey data, we conducted a joint significance test against the null that none of the group difference between China and the United States in these four outcomes were significant. There was a jointly significant difference between the two culture groups in the perceptions and preferences of workplace participation, $F_{(1,348)}$ = 8.58, p < 0.001.

Furthermore, we tested the correlations between each dependent variable and found significant correlations between participation preference and perceived impact from participation. Consistent with the hypothesis, in both cultures, preference for workplace participation positively predicts the impact of workplace participation. See **Table 5** for the descriptive statistics and correlation coefficients in the combined sample (refer to **Supplementary Appendix Tables 3, 4** for separate results for China and the United States). With regard to the demographics, employees with lower level of education predicted a larger impact on job satisfaction (β = −0.21, $t_{(340)}$ = −3.13, p = 0.002, d = −0.34) and workplace conflict (β = −0.25, $t_{(340)}$ = −3.60, p < 0.001, d = −0.39) from workplace participation. There was no significant correlation between other demographic variables and participation preference or perceived participation outcomes.

Discussion

Study 2 demonstrates that both culture groups reported a relatively positive level of endorsement of participatory work practices, including participatory decision making and a more flattened hierarchical relationship between superiors and their subordinates. In addition, employees generally associated workplace participation with higher worker productivity and job satisfaction as well as lower workplace conflict.

TABLE 4 | Study 2 results from linear regression.

	Dependent variable:			
	Preference (1)	Satisfaction (2)	Productivity (3)	Conflict (4)
Culture (China = 1)	0.135	0.599***	0.262*	0.418***
	(0.082)	(0.113)	(0.102)	(0.123)
Gender (Female = 1)	0.079	−0.163	−0.095	−0.220
	(0.080)	(0.111)	(0.100)	(0.120)
Education level	−0.045	−0.235***	−0.136*	−0.262***
	(0.047)	(0.066)	(0.059)	(0.071)
Farming	0.039	−0.433	−0.025	−0.248
	(0.319)	(0.442)	(0.400)	(0.479)
Other industries	0.112	0.241	−0.065	0.124
	(0.233)	(0.323)	(0.292)	(0.350)
Production	−0.003	−0.117	−0.041	−0.247
	(0.124)	(0.172)	(0.155)	(0.186)
Sales	−0.018	0.123	−0.005	−0.002
	(0.097)	(0.134)	(0.122)	(0.146)
Service	0.030	0.061	0.088	−0.072
	(0.111)	(0.154)	(0.140)	(0.167)
Education	−0.495	1.886*	1.822*	−1.808
	(0.701)	(0.970)	(0.878)	(1.052)
Baseline participation	0.194***	0.214**	0.181**	0.056
	(0.048)	(0.067)	(0.060)	(0.072)
Constant	3.605***	4.969***	4.779***	2.726***
	(0.360)	(0.498)	(0.451)	(0.540)
Observations	350	350	350	350
R^2	0.060	0.158	0.074	0.102

*p < 0.05, **p < 0.01, ***p < 0.001. Numbers indicate regression coefficients, with standard errors in parentheses. Results using linear regression. Culture is a dummy variable where China = 1 and United States = 0. Gender is a dummy variable where female = 1 and male = 0. In the occupation variables, "professional and management" serves as a baseline comparison with which "farming," "other industry," "production," "sales," "service," and "education" are compared.

The current survey design cannot explicitly compare one's preference of a participatory versus non-participatory workplace. Even though both culture groups expressed endorsement of workplace participation, we cannot rule out the possibility that a non-participatory workplace is similarly endorsed. Next, we conduct a within-subject experiment where we randomly assign employees to mentally interact with a high or low work environment first with repeated measures for its counterpart. Therefore, we can directly compare the perceived desirability of working in each work environment and the downstream outcomes of workplace participation on productivity, job satisfaction, and conflict.

STUDY 3

Study 3 tests whether employees from the US and China prefer a participatory work environment to a non-participatory work environment, using an experimental design. We hypothesize that employees in both the US and China generally prefer a participatory work environment to a non-participatory work environment, although cross-cultural differences may exist so that employees from one culture would value a participatory

TABLE 5 | Descriptive statistics and correlations among study variables.

Variable	M	SD	1	2	3	4	5	6
(1) Preference	4.65	0.70	–					
(2) Productivity	5.14	0.89	0.35***	–				
(3) Satisfaction	5.14	1.03	0.35***	0.65***	–			
(4) Conflict	3.20	1.08	−0.16**	−0.60***	−0.74***	–		
(5) Workplace voice	4.69	1.13	0.34***	0.40***	0.39***	−0.31***	–	
(6) Social voice	5.46	0.81	0.22***	0.13*	0.11*	0.009	0.31***	–

*$p < 0.05$, **$p < 0.01$, ***$p < 0.001$. Workplace voice and social voice refer to individuals' baseline level of participation at work and outside of work more generally.

workplace to a greater extent than employees from a different culture. Study 3 was a pre-registered experiment on AsPredicted[4].

Method

Participants

United States full-time employees (n = 205) were recruited through Amazon Mechanical Turk on October 22nd, 2021 (42.44% women, 57.56% men; M_{age} = 40.12 years, SD_{age} = 10.91, range = 23–83 years; 74.15% identified as White or European American, 9.76% Black or African American, 9.27% as Asian or Pacific Islander, and 3.90% Hispanic). Chinese full-time employees (n = 218) were recruited on October 22nd, 2021 through Wen Juan Xing, an online crowdsourcing platform in China (56.42% women, 43.58% men; M_{age} = 29.73 years, SD_{age} = 3.78, range = 26–50 years).

The combined sample consists of 423 full-time employees (49.65% women, 50.35% men; M_{age} = 37.81 years, SD_{age} = 11.18, range = 23–83 years). No participant was excluded from the data analysis. Participants were compensated for their participation in the study.

Procedure

As pre-registered, we adopted a within-subject repeated measures experimental design. Employees in both the United States and China were presented with two vignettes either depicting a prototypical workplace high in participation (*high-P*) or a prototypical workplace low in participation (*low-P*). We pre-tested the vignettes with an independent sample of 66 online participants to ensure that the workplace environment in the *low-P* vignette was indeed perceived to be significantly lower in workplace participation compared with the workplace depicted in the *high-P* vignette (p = 0.027).

Participants were asked to imagine themselves as a mid-level employee in a large corporation that specializes in the manufacturing of household goods and services. They were given vivid depictions of their daily job functions. For example, in the *low-P* condition, the employee would report to work at 9 am and "immediately check-in with your supervisor." The supervisor would be in charge of most decision making at work. The *low-P* workplace features a highly structured and hierarchical work environment, with little chance for its employees to make decisions or voice opinions at work. In the *high-P* condition, the participants were asked to imagine reporting to work

[4]https://aspredicted.org/blind.php?x=TYC_JNX

at 9 am "for your all-team group meeting." Team members would share power and influence at work meetings and in the decision-making processes. The *high-P* workplace features a more democratic work environment with opportunities for its employees to make decisions and voice opinions at work. After engaging with each work environment, participants were asked to rate the extent to which they like this workplace, and their perceived workplace outcomes such as productivity, job satisfaction, and conflict with a 7-point Likert scale from 1 (not at all) to 7 (extremely). Sample items include: "How productive are you at this workplace?", "How satisfied are you with your daily job functions?", and "How much workplace conflict do you think you will encounter?".

The order of the vignette condition presentation was counterbalanced—half of the participants viewed the *low-P* vignette first and the other half viewed the *high-P* vignette first. After the presentation of the first vignette, participants were asked to take a minute to clear their mind before engaging with the second vignette. At the end of the experiment, participants filled out standard demographic questions such as gender, age, education, and occupation.

Results

As pre-registered, we conducted a repeated measures analysis of variance (ANOVA) where we treated the vignette condition (*low-P* vs. *high-P*) as a within-subject factor and country (China vs. the United States) as a between-subject factor on the main dependent variables: the desirability of each workplace, and perceived outcomes in each workplace, including employee productivity, job satisfaction, and workplace conflict. We were interested to test whether employees in the United States and China would show differential preferences and outcome perceptions comparing a high participation workplace and a low participation work environment.

In the combined sample of American and Chinese employees (n = 423), there was a main effect of vignette condition on preference—the high participation workplace was on average rated as more desirable to the low participation workplace [M_{high} = 4.61, SD_{high} = 1.27; M_{low} = 3.96, SD_{low} = 1.59, d = 0.45; $F_{(1,421)}$ = 69.04, p < 0.001]. However, there was a significant interaction effect between country and condition [$F_{(1,421)}$ = 109.22, p < 0.001]. For each of the three perceived outcomes, we found significant main effects of condition as well as significant interaction effects between condition and country. In general, employees reported higher productivity [M_{high} = 5.02,

$SD_{high} = 1.08$; $M_{low} = 4.91$, $SD_{low} = 1.11$, $d = 0.10$; $F_{(1,421)} = 4.34$, $p = 0.04$], job satisfaction [$M_{high} = 4.74$, $SD_{high} = 1.25$; $M_{low} = 4.13$, $SD_{low} = 1.57$, $d = 0.43$; $F_{(1,421)} = 61.05$, $p < 0.001$], and lower conflict [$M_{high} = 3.21$, $SD_{high} = 1.54$; $M_{low} = 3.42$, $SD_{low} = 1.41$, $d = -0.14$; $F_{(1,421)} = 10.28$, $p = 0.001$] in a high participation workplace compared with a low participation workplace.

Culture is clearly a moderator as we found significant interaction effects for each of our primary dependent variables. Therefore, we conducted further analysis for employees in each country to investigate the different patterns (see **Figure 1**).

The United States

For American employees, there was a significant difference in employee preference, where they were significantly more likely to endorse a high participation work environment ($M = 4.69$, $SD = 1.29$) than a low participation work environment [$M = 3.17$, $SD = 1.49$; $F_{(1,204)} = 144.41$, $p < 0.001$, $d = 1.09$]. American employees also perceived different outcomes from a *high-P* workplace versus a *low-P* workplace. Specifically, compared with a *low-P* workplace, employees engaging in the high-P workplace reported significantly higher productivity [$M_{high} = 5.17$, $SD_{high} = 0.93$; $M_{low} = 4.69$, $SD_{low} = 1.12$, $d = 0.47$; $F_{(1,204)} = 33.79$, $p < 0.001$], significantly higher job satisfaction [$M_{high} = 4.75$, $SD_{high} = 1.16$; $M_{low} = 3.36$, $SD_{low} = 1.52$, $d = 1.03$; $F_{(1,204)} = 134.52$, $p < 0.001$], and significantly lower workplace conflict [$M_{high} = 2.23$, $SD_{high} = 1.06$; $M_{low} = 2.79$, $SD_{low} = 1.23$, $d = -0.49$; $F_{(1,204)} = 36.34$, $p < 0.001$].

China

For Chinese employees, there was also a difference in employee preference, but the direction was the opposite to that of American employees. The Chinese employees were marginally *less* likely to endorse a high participation work environment ($M_{high} = 4.54$, $SD_{high} = 1.25$) than a low participation work environment [$M_{low} = 4.71$, $SD_{low} = 1.29$; $F_{(1,204)} = 2.86$, $p = 0.09$]. There was no statistically significant difference in perceived job satisfaction ($M_{high} = 4.72$, $SD_{high} = 1.33$; $M_{low} = 4.85$, $SD_{low} = 1.24$; $p = 0.26$, $d = -0.10$) or workplace conflict ($M_{high} = 4.13$, $SD_{high} = 1.34$; $M_{low} = 4.02$, $SD_{low} = 1.31$; $p = 0.27$, $d = 0.08$). However, Chinese employees saw themselves to be significantly *less* productive working in a high participation workplace ($M_{high} = 4.89$, $SD_{high} = 1.19$) than a low participation workplace [$M_{low} = 5.11$, $SD_{low} = 1.07$; $F_{(1,204)} = 6.04$, $p < 0. 01$].

Because we tested multiple hypotheses from the Chinese and American survey data, we conducted a joint significance test against the null that none of the group difference between China and the United States in these four outcomes were significant. There was a jointly significant difference *between* the two culture groups in the perceptions and preferences of workplace participation in general, $F_{(1,420)} = 92.04$, $p < 0.001$, and there was a jointly significant difference *within* each culture group comparing the high versus low participatory work environment, $F_{(1,420)} = 14.81$, $p < 0.001$.

Discussion

When a prototypically high participation workplace was pitted against a prototypically low participation workplace, we found clear cultural differences in employees' preference and perceived job outcomes working in each environment. We found that American employees showed an ambiguously strong preference to the high participation workplace and predicted positive outcomes from working in such a workplace, while the opposite

FIGURE 1 | Study 3 results. The figure represents cultural group means for the self-reported *Preference* for each workplace and the perceived outcomes of employee *Productivity*, *Job Satisfaction*, and workplace *Conflict* comparing the *Low-Participation* versus *High-Participation* condition for both the United States (the first row) and the Chinese full-time employees (the second row). Each dot in the background represents an employee's actual rating on the corresponding construct. Error bars represent 95% confidence intervals. *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$, *n.s.* denotes non-significance with alpha at the conventional 0.05 level.

was true for the Chinese employees. Chinese employees were marginally more likely to prefer a low participation workplace and associated it with higher productivity (but not higher job satisfaction or conflict). Culture was clearly a moderator in employees' preference and perceived impact of workplace participation.

GENERAL DISCUSSION

Across three comparative studies, we explore what the concept of workplace participation entails in the minds of employees from the United States and China as well as their general preference and predicted outcomes of workplace participation. Using a free association paradigm, Study 1 demonstrated cross-cultural similarities and differences in how employees construe workplace participation. In Study 2 with cross-cultural surveys, employees in both the United States and China reported a general preference to workplace participation, and predicted higher productivity, job satisfaction, and lower workplace conflict from workplace participation. Study 3 presented a prototypical high participation work environment and a low participation work environment in a repeated measures experimental design. American employees unambiguously preferred the high participation workplace and reported higher productivity, job satisfaction, and less conflict from it, whereas Chinese employees slightly preferred the low participation workplace and reported higher productivity from it. These findings have several implications.

Positive Valence and Preference

We found that positive valence seems to be strongly associated to workplace participation for both culture groups in Study 1, indicating a cross-cultural positive association or liking for a participatory work structure. Study 2 further reinforces the general positive valence associated with workplace participation: Chinese and American employees expressed similarly high level of endorsement for workplace participation, conceptualized as participatory decision making and a more flattened group hierarchy at workplace. The perceived impact of workplace participation was positive in both cultures. Furthermore, the self-reported preference for participation was positively correlated with perceived outcomes from participation: those who preferred workplace participation were more likely to think that participation would increase worker productivity and job satisfaction as well as reduce workplace conflict. This is consistent with prior research that self-reported participation level tends to correlate with self-reported job satisfaction and productivity (Weber et al., 2020).

These findings might be explained by theories in procedural justice and self-determination. The general positive valence associated with workplace participation is consistent with the postulation from self-determination theory that employees may have innate psychological needs for autonomy and relatedness and prefer procedures that fulfill these needs. Workplace participation is commonly associated with teamwork and social interactions (from Study 1), which exemplifies relatedness. Participation procedures commonly involve the

shared influence between hierarchical superiors and their subordinates, exemplifying increase autonomy within the group. The nature of participation might be closely related to the sense of relatedness and autonomy that employees are seeking in a workplace. Therefore, we observe a general preference and positive perceptions of workplace participation across cultures. In addition, the positive correlation between participation preference and perceived participation outcomes (e.g., job satisfaction and productivity) might be explained by procedural justice: when employees perceive a decision procedure to be fair and just, they are more likely to endorse its outcomes and gain higher motivation as a group (Thibaut and Walker, 1975; Tyler and Blader, 2003). Here, satisfaction may be a more proximal indicator of participation, compared with productivity, which tends to be more distal and depend on other working conditions (Demerouti et al., 2001).

Different Associations With Workplace Participation

There were noticeable differences in how employees construe workplace participation across cultures. American employees were more likely to mention concrete activities and actions as well as levels of effort and engagement in a workplace context, which we did not observe in Chinese employees' responses. The frequent mention of day-to-day workplace activities and effort levels from American employees indicates that a participation scheme may be seen as more routinized and familiar to American than to Chinese employees. In contrast, Chinese employees were more likely to describe participation using high-level abstract rules at the company level, suggesting that the concept of participation appeared to be more detached from day-to-day job functions in China. In addition, workplace participation frequently evokes associations to socializing activities outside work, which suggests employees from China, an interdependent culture, may tend to draw a looser boundary between professional and casual settings and infer a broader sense of collectivity from the concept of participation. The associations with casual social activities outside of a workplace as well as high-level management rules did not appear in the American sample.

We also found some culturally unique associations within a given category. For example, when expressing negativity about participation, Chinese employees tended to express distrust while American employees expressed more generic negativity. In addition, when talking about hierarchy, Chinese employees almost always talked about democracy (民主) while there was no explicit mention of democracy among the American employees. The findings may reflect the larger societal norms or lack thereof around participation and participatory democracy. Research from scarcity suggests that concepts associated with a valued scarce resource (e.g., time, money, and social influence) would become more accessible when one experience prolonged deprivation of such resource (Mullainathan and Shafir, 2013). Thus, it is possible that the lack of a democratic norm in a Chinese society writ large made the link between participation and democracy more explicit, whereas the default democratic norm for the Americans did not activate the link as much.

Regarding workplace conflict, Chinese employees were more likely to predict a higher level of conflict from participation in Study 2. Intragroup conflict is a well-studied area within organizational psychology (De Wit et al., 2012; Greer et al., 2017). Past literature distinguishes multiple forms of intragroup conflict, such as relationship conflict or disagreements about interpersonal issues within a group, task conflict or disagreements about the content and outcomes of tasks being performed within a group, and process conflict or disagreements about the logistics of task accomplishments (Jehn and Bendersky, 2003; De Wit et al., 2012). Workplace conflict as measured in the current study is closest to relationship conflict. So we discuss the conflict results from the relationship conflict perspective. Correlational analyses in both culture groups indicate negative associations between perceived participation effect on workplace conflict and individual outcomes such as productivity and satisfaction, consistent with prior findings of stable negative relationships between relationship and process conflict and group outcomes (De Wit et al., 2012). However, the higher level of perceived participation effect on conflict from Chinese employees suggest that culture might play a role in the perception of workplace conflict. Apart from cultural context, other group level contextual characteristics such as task type and co-occurrence of conflict types might also moderate the relationship between participation and conflict.

Norms of High vs. Low Workplace Participation

When asked to interact with two work environments that drastically differed in workplace participation, American employees unambiguously preferred the high participation work environment, while Chinese employees tentatively preferred the low participation work environment. This seems contradictory to Study 2's finding that both culture groups endorsed workplace participation. However, it is worth noting that Chinese employees' ratings for both types of workplaces were above the mid-point 4 (neutral), while their ratings for the low participation workplace were marginally higher compared with their ratings for the high participation workplace. This is different from the American employees who rated the low participation workplace as significantly lower than the neutral mid-point. In fact, American employees consistently rated the high participation workplace as more conductive to all measured outcomes, including productivity, job satisfaction, and reduced conflict. Interestingly, Chinese participants reported significantly higher work productivity after interacting with the *low* participation workplace. This points to the advantage of a repeated measures experimental design: even though a high participation workplace is perceived favorably by both culture groups, a low participation workplace is perceived even more so among the Chinese employees but not the American employees.

This may be related to the Study 1 results where the Chinese employees made less concrete mental associations of workplace participation, compared with the American employees who associated participation with specific activities in the workplace. The results suggest that it might be more difficult for the Chinese

employees to translate the concept of workplace participation into a tangible and practical work scheme that incorporates into their daily routines, while American employees associated participation with specific actions that may have already been implemented in the workplace. It is possible that the slight preference to a low participation work environment reflects the familiarity to the default work environment that they encounter.

This study joins a burgeoning area of organizational democracy research. The present study addresses a relative scarce line of inquiry within this area, which focuses on employees' attitudes and perceptions of workplace participation and empowerment (Kahnweiler and Thompson, 2000; Greasley et al., 2005; Jeppesen et al., 2011; Khandakar et al., 2018). The present study represents one of the few comparative studies on organizational participation in two culture that differ in many dimensions. It uses a combination of qualitative, survey, and experimental methods to investigate how employees understand workplace participation and its associated outcomes. Consistent with prior research on voice and influence, there is no unanimous agreement on what participation represents across individuals and cultural contexts, and individuals may desire participation to a different extent based on their group membership, organizational type, and existing level of influence (Jeppesen et al., 2011; Markey et al., 2013; Platow et al., 2015). Different from prior studies that focus on individual level participation behavior or the general effects of participation, the current study focus on the meaning and normative impact of workplace participation from the standpoint of employees. Cross-cultural differences and similarities were identified regarding employees' mental representations, individual differences, and outcome attributions.

Limitations and Future Directions

The present research shows that Chinese employees are less likely to associate workplace participation with concrete activities and more likely to associate it with high-level rules. We proposed that these results might be due to the different baselines of participation in the workplace and in society more generally. However, it might also reflect culture-specific ways of thinking (e.g., construal level, dialectical thinking). A related question is given that employees' mental representations of workplace participation differed (Study 1), to what extent cross-cultural differences found in Study 2 and Study 3 might be biased by employees' different mental representations? We speculate that the results from Study 2 were more susceptible to employees' different understanding of "workplace participation." Even though we piloted our survey scales to ensure content equivalence, it is still possible that employees interpreted the survey questions differently. We are less concerned about similar biases in Study 3 as high vs. low level of workplace participation was operationalized concretely using vignettes. However, the experimental vignettes presented in Study 3 might limit the ecological validity of the study. Organizations in the real world are rarely on either side of the participation spectrum—they usually adopt a mixed set of participation schemes. While it is valuable to learn employees' general preference and perceptions of a high vs. low work environment in an experimental setting, more naturalistic studies collecting employees' perceptions of

their actual organizations as well their observed behavior will complement the current set of studies. Future studies should also directly assess the baseline level of participation in Western as well as non-Western societies to understand how participation norms at workplace and the society shape individuals' narratives about workplace participation.

The extant participation research is heavily centered around Western nations and their allies. The current study focuses on China and the United States. Further tests with a diverse sample across nations and across industries are needed for the generalizability and external validity of any single set of studies (Gantman et al., 2018). The current studies relied on a paid subject pool from online survey companies, which might over-represent certain population demographics. Noticeably, our sample tend to over represent employees who have college degree and are professionals. Even though we controlled for employee demographics in the data analyses, the comparability of results from our paid sample and a nationally representative sample is unknown. Modern subject recruitment strategy such as online crowdsourcing and survey firms has made the collection of human subject data more efficient. Using a wide variety of cognitive behavioral tasks, Crump et al. (2013) demonstrates that the response patterns of Mturk participants are comparable to laboratory or field participants, supporting the reliability of Mturk as a tool of behavioral research (Crump et al., 2013). However, the testing environment of an online sample is not under the researchers' control and some crowdsourcing platforms suffered from slowing rates of population replenishment (Peer et al., 2017). Crowdsourcing platforms are tremendously useful in exploratory studies and cross-cultural studies, but a more comprehensive set of research with a wide variety of populations is needed to robustly document causality and generalizability of our results.

China can be seen as a boundary condition for the test of workplace participation. On one hand, participation might not be as welcomed by Chinese employees because it is in direct contrast to a hierarchical norm in a largely non-democratic society. On the other hand, workplace participation may present a particularly strong appeal to Chinese employees because the baseline level of participation is not as strong compared to other cultural contexts where participation in social and political decision making is more common. It will be interesting for future studies to further explore how baseline levels of participation in a cultural setting can affect individuals' preference and perceptions of participation, and how individuals' preference and perceptions translate into participation behavior in their local workplace and the society at large, with a larger sample and combined with more qualitative ethnographic work.

Lastly, we found that teamwork is among the most frequent associations for employees in both China and the United States. Team seems to be a central part of participation. This is not surprising as groups lay the foundation of our cognition and behavior (Lewin, 1947). Local groups that we identify with, such as our work groups, citizen groups, and religious groups, play an important role in the socialization of our attitudes and behavior. Prior research suggests that participatory group interventions that target work group dynamics can have increase employee productivity and change social attitudes toward authority (Wu and Paluck, 2020, 2021). More research on the role of teams in shaping individual behavior is needed. Intervention research on participation and employee behavioral change should also be sensitive to cultural contexts to maximize receptivity and minimize potential backlash.

CONCLUSION

The concept of workplace participation can be construed differently by employees from different cultures. The cultural context in the workplace and in the society may play a role in shaping individuals' preferences and perceptions of workplace participation. Individuals' perceptions and preference may also inform us with the goals and approaches that we should prioritize when shaping a more participatory work environment and a more democratic society with an increasingly diverse population.

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

ETHICS STATEMENT

The studies involving human participants were reviewed and approved by UCLA Institutional Review Board. The patients/participants provided their written informed consent to participate in this study.

AUTHOR CONTRIBUTIONS

All authors listed have made a substantial, direct, and intellectual contribution to the work, and approved it for publication.

SUPPLEMENTARY MATERIAL

The Supplementary Material for this article can be found online at: https://www.frontiersin.org/articles/10.3389/fpsyg.2022.806481/full#supplementary-material

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Perceived Organizational Democracy and Associated Factors: A Focused Systematic Review Based on Studies in Turkey

Tahsin Geçkil*

Department of Logistic Management, Faculty of Applied Science, Necmettin Erbakan University, Konya, Turkey

This review study provides an opportunity to look at the level of organizational democracy (OD) that a large sample of private- and public-sector employees in an emerging market (Turkey) perceive. The focused systematic review includes empirical studies examining employees' level of OD and associated work and organizational psychological variables, using the Organizational Democracy Scale (ODS) in Turkey. This paper includes studies published between January 2014 and April 2021 in the Google Academic, Dergipark, and Ulakbim databases and on the Turkish National Thesis Center website. From a total of 1,778 records, 37 empirical studies meeting the inclusion criteria were included (with a total of $N = 10,370$ employees). Of these studies, 67.6% are published articles and manuscripts, 24% are unpublished dissertations, and 43.2% of the studies took place in the public sector. The results suggest that the level of employees' perceived OD was slightly above the medium level (mean: 3.30 ± 81), and the scores of the private-sector employees are higher than those of the public employees. Further, empirical associations between OD and 21 different outcome variables are reported and discussed. To varying extents, significant positive correlations were found between the level of employees' perceived OD and positive organizational variables, such as organizational citizenship behavior, organizational commitment, psychological capital, and job satisfaction. On the other hand, negative significant relationships occurred between OD and negatively evaluated organizational variables, such as job stress and organizational depression. The results of this study support the importance of organizational democracy as a management approach.

Keywords: organizational democracy, organizational democracy scale, business employee, participation in management, systematic review, demographic characteristics of employee, Turkey

INTRODUCTION

Organizational democracy (OD) refers to the participation of members of an organization in its management and processes (Harrison and Freeman, 2004). This participation is mandatory, continuous, broad-based, and institutionalized employee involvement, not temporary or occasional (Weber et al., 2020). Democracy in the workplace concerns sharing organizational decisions, greater employee autonomy, and strategic orientation (Drucker, 1999). Organizational Democracy promotes human development, increases a sense of political effectiveness, and reduces alienation

(Kerr, 2004). The concept of OD serves to describe all types of management, from non-authoritarian to employee-managed or participatory firms (Cheney, 1995; Harrison and Freeman, 2004; Kerr, 2004; Weber et al., 2009; Yazdani, 2010; Unterrainer et al., 2011; Geckil and Tikici, 2016). OD produces individual outputs with the participation of employees in democratic decision-making processes. In addition, it creates the democratic organization by arranging its structure and processes, thus providing the desired organizational outputs. It also enables the employees of the enterprise to experience political activity, providing access to social outputs.

Harrison and Freeman (2004) define OD as "any action, structure, or process that increases the power of a broader group of people to influence the decisions and activities of an organization can be considered a move toward democracy" (p. 49). The process concept identifies how to embed democratic principles in the organizational structure—in other words, the democratization of organizations. A democratic organization is not an organization whose conditions are standard everywhere and in every situation. There may be democratic structures whose democratic principles occur on different levels. Adoption of participatory management practices at the organizational level, tolerance in the face of criticism, creation of a transparent, fair, and egalitarian structure, and the establishment of accountability as a rule express an advanced democratic organization. Requiring shared administrative power ensures the permanence of democratic principles.

Some of the researchers working on organizational democracy tend to explain it as participation in decisions and management. Others argue that organizational democracy relates to both the economic and social aspects of organizations and affects democratic tendencies and practices in social life. Moreover, organizational democracy is not only about organizational life but also about democratic attitudes and behaviors in social life.

In addition to its social, managerial, cultural, and environmental impacts on the organization (Pircher-Verdorfer et al., 2012), researchers also consider OD an important determinant of various expected organizational outcomes, including increased shareholder engagement and enhanced innovation, as well as improved organizational performance (Harrison and Freeman, 2004; Geçkil, 2017; Han and Garg, 2018). Democratic practices in organizational life eliminate unprofessional behaviors and increase labor efficiency (Yazdani, 2010). Moreover, they help to improve the morale of the workforce (Sagie and Koslowsky, 2000), provide better control over organizational structure and processes (Foley and Polanyi, 2006), and help to renew organizational structure and practices (Harrison and Freeman, 2004; Yazdani, 2010).

The term "organizational democracy" entered the management literature in 1897, via Sidney and Beatrice Webb (Müller-Jentsch, 2008). Although OD has appeared in the literature for more than a century, studies on its measurement have intensified over the last decade. One of the first examples of scale-development studies on the measurement of OD was by Weber and Unterrainer (2012), based on earlier studies by the IDE International Research Group (1981) and Heller et al. (1998). Later, the studies of OD scale development by

Geçkil and Tikici (2015) and Ahmed et al. (2019) contributed to the literature. A generally accepted standard definition of the concept of OD is not found in the research literature, due to differences in individual, organizational, and social characteristics; thus, declaring a consensus in the literature on the dimensions of OD is difficult. Yazdani (2010) examines OD in two dimensions, Weber and Unterrainer (2012) in two, Geçkil and Tikici (2015) in seven, Vopalecky and Durda (2017) in 11, and Ahmed et al. (2019) in 10. The studies of measuring OD also reflect different approaches to these dimensions. Examining the developed scales shows that their dimensions are numerically different but shaped along similar structures. The scale that Weber and Unterrainer (2012) developed in Austria is based on the participatory dimension of OD. The ODS that Geçkil and Tikici (2015) developed in Turkey consists of five dimensions (participation-criticism, transparency, justice, equality, accountability). The ODS that Ahmed et al. (2019) developed in Pakistan consists of ten dimensions (freedom, fairness, integrity, tolerance, structure, shared responsibility, transparency, knowledge-sharing, accountability, learning environment). Similar to political democracy, cultural and historical differences, different perspectives on organizational democracy, and other social dynamics (religious, ethnicity, national) significantly shape organizational democracy.

Considering the contributions of business organizations to the socialization of political competencies and orientations, Pateman (1970) expresses the following spillover effect. Significant employee participation in democratic decision-making processes allows employees to experience political effectiveness. In the long run, experiencing political activity has an educational effect, promoting civic virtues, political participation, and active citizenship behaviors among employees not only in the workplace but also in civil society. Pircher-Verdorfer et al. (2012) state that democratic firms, which give their employees the opportunity to participate in tactical and strategic decision-making processes, are fractals of a democratic society and common welfare institutions. They include a field of socialization that supports employees in the (further) development of democratic competencies and orientations. We cannot completely separate organizational democracy from political democracy. Political democracy can cause many reflexes in individuals getting used to the principles of democracy, to accept it, to believe in its necessity, and to desire it in case of its absence.

This study is based on empirical studies of organizational democracy conducted in Turkey. For this reason, the reader may find useful a brief mention of Turkey's socio-political past and organizational democracy studies. Turkey shows the characteristics of a transition economy and society. One of the OECD countries, it is considered an emerging market. While economic institutions can sometimes create policies on their own, with economic priorities, unfortunately, we cannot say that they provide continuity in creating independent policies. Annual income per capita is below 10,000 \$, and the economy has faced economic and currency crises (Gök and Kara, 2021) in different periods. Turkish democracy has a history of more than 200 years. The Charter of Alliance (Sened-i Ittifak, September

28, 1808) marks the beginning of Turkish democracy, as the first document that limited the authority of the Sultan (Lewis, 2007, p. 50). Despite the country's important political background in its geographical ground, it still lacks autonomous and established political and economic institutions and seems weak in the Western sense. For this reason, we could observe some authoritarian tendencies among elected officials in several periods. Despite the experience of more than 200 years of democracy, many interventions have hindered the maturation of political democracy. During the Ottoman period, the elected parliament was shut down on the Sultan's decision (February 14, 1878) and reconvened about 30 years later (July 23, 1908). In addition, in the 40 years period between 1960 and 2000, there were four military coups (1960, 1971, 1980, and 1997). Despite frequent interruptions, the democratic process has always got on track again. Huntington (1991) states that to qualify as an established democracy, a society must have changed its government through elections at least twice (p. 266–267). Turkey has met this test more than twice (Lewis, 2007, p. 28).

In his study on cultures, Hofstede (2021) finds that high power distance is normal in Turkish culture. Turkey scores high on power distance, meaning that the Turkish style is dependent and hierarchical, with generally inaccessible superiors. Turkish society is collectivist, implying that the "We" is significant; people are members of in-groups (families, clans, or organizations) that watch out for one another, in exchange for allegiance. The connection has a moral foundation, which always takes precedence over task completion. Hofstede (2021) points out that the Turkish society's masculinity score (45) is low. This means that softer components of society are cherished and fostered, such as leveling with others, consensus, and sympathy for the underdog. In both private and professional life, conflict avoidance, and reaching an agreement at the end are crucial. For Turks, leisure time is vital, when the entire family, clan, and friends get together to enjoy life. Hofstede (2021) states that the uncertainty avoidance score (85) is quite high in Turkish culture so there is a great need for laws and rules. He emphasizes that there is no dominant culture for long-term orientation and indulgence.

Despite Turkey's history of political democracy over more than two centuries, only a few studies on organizational democracy exist, but interest in OD has increased in recent years. An all-time search in the National Thesis Center (https://tez.yok.gov.tr/UlusalTezMerkezi/tarama.jsp) with the keyword "organizational democracy" returned 21 completed theses. The first study of OD in Turkey is a master's thesis completed in 2010 (Seker, 2010), which examines the level of adoption and implementation of organizational democracy in schools. Following this study, a scale to examine the organizational-democracy levels of academicians in a doctoral thesis appeared (Bozkurt, 2012). Developed for working with academicians, the scale consists of two subscales (participation and autonomy). However, no other study using this scale appeared in the literature. In addition, a review article (Erkal Coşan and Altin Gülova, 2014) appears to be the first study on organizational democracy published in Turkey. The number of studies on OD in Turkey has actually increased since 2014, and they mainly focus on determining employees' organizational democracy levels and associated factors.

The ODS (Organizational Democracy Scale), the focus of this study, measures the organizational-democracy level based on employee perceptions. Individuals make decisions on the basis of not only realities but also their perceptions of those realities. Perceiving is the process of giving meaning to the stimuli in the individual's environment. Our perceptions also create in our minds values, problems, and solutions for them. As perceptions vary among individuals, they can also vary for the same individual under different conditions. Therefore, differences between reality and perceived reality may exist. The concept of reality varies from region to region, from country to country, and even from person to person (Friman, 1999, p. 6). Employee perceptions of OD express the individual's "perceived reality."

Organizational Democracy Scale

The organizational democracy scale that Geçkil and Tikici (2015) developed is based on a seven-dimension theoretical construct. A result of their literature review to prepare the scale development was defining the conceptual structure of organizational democracy using seven dimensions (participation, criticism, transparency, justice, equality, accountability, and power-sharing).

During the scale-development process, one of these dimensions (criticism) was combined with another (participation), while a further construct (power-sharing) did not emerge as a separate dimension (Geçkil and Tikici, 2015). It seems acceptable that the criticism dimension should combine with the participation dimension. A reasonable criticism may emerge more prominently as a result of supporting participation. Uninformed criticism can occur in organizations where there are insufficient or no participatory practices. The inability to confirm the power-sharing dimension in the scale-development process represents a real loss. The literature emphasizes the importance of power-sharing for an established democracy at the organizational level (Kerr, 2004, p. 81). Kerr states that while power-sharing is attractive when it comes to state affairs, managers at the organizational level hesitate to share power, and the resistance at various management levels is an obstacle to the successful implementation of democratic processes. The organizational democracy scale's six dimensions are examined below.

Participation means involving employees in all decision-making processes, directly or through their representatives. Many researchers equate OD with participation and try to define it on that basis (Weber et al., 2008, 2009; Yazdani, 2010). Weber et al. (2009) define OD as employees' structurally supported participation in management. This kind of participation appears directly or representationally, continuously, in broad-based, institutionalized, and non-temporary or non-random ways. Through participation, employees become an element of decision processes and practices in matters concerning their work and can evaluate the results together (Geçkil, 2013).

Criticism reflects the evaluation of policies and procedures, work, and transactions, by employees and other stakeholders

at all relevant levels, and the ability to freely express those evaluations. Thanks to criticism, mistakes do not persist. Some researchers consider criticism, also expressed as raising the employees' voice, the most important element of OD (Yazdani, 2010).

Transparency means openness in the administration, of great importance for the democratization of the administration (Üst Can, 2020). It represents not only the sharing of information but also the intention to share and the information's perceived quality. Transparency is among the ISO 26000 standards, required for OD (Hallström, 2010) since it is the availability, to every individual who participates in decision-making, of all information about transactions and actions in the organization. Also, the information must be accessible to members whom the transactions and actions affect (Forcadell, 2005).

Justice, or the concept of organizational justice, refers to distribution of gains (distributive justice), processes used in making distribution decisions (procedural justice), and inter-individual relations (interactional justice) (Gilliland and Chan, 2009). Organizational justice examines the perceptions of employees regarding the fairness of their treatment (Greenberg, 1990a). The main determinants of the perception of justice are how the added value that emerges as a result of organizational activity is shared, and what criteria guide promotions. OD requires fairness in income distribution. A steep income gap among individuals prevents the democratization of organizations and makes it difficult for democratic management principles to settle in the organization (Geçkil, 2013, p. 35).

Equality is everyone having the same rights and advantages. As an element of OD, it should not be accepted as mistaken for absolute equality. However, it should be equal treatment of those whose conditions are equal. Equality between the individuals should relate to such criteria as performance, education, seniority (Geçkil and Tikici, 2015). The essence of OD includes all employees receiving equal treatment and getting equal benefits (Ahmed et al., 2019).

Accountability has become an important practice recently; the public calls for managers to be more accountable. This means that the actions of any person or organization require a statement, defense, or obligation to an affected person or group (Messner, 2009; Eryilmaz and Biricikoglu, 2011). Kerr (2004) states that the most important principle distinguishing OD from other types of management is "accountability." Unlike responsibility, accountability includes not only the ability to assume the consequences of actions but also explaining and defending the situation (Lindkvist and Llewellyn, 2003). It once represented only a concept relating to the field of accounting and finance, but after the 1980s, it began to apply to all kinds of managerial functions.

Since the ODS is published in Turkish, readers may find an explanation of the scale-development process useful. ODS is based on five point Likert-type response scales and encompasses 28 items and five subscales. The minimum score measuring employees' OD perceptions is 28, and the maximum is 140. Increasing total scores across all items and subscales reflect increased employee perception of OD. Interpretation of each subscale score

is like that for the ODS total score (Geçkil and Tikici, 2015).

The scale-development process utilized a three-phase and ten-step model that Slavec and Drnovsek (2012) developed. To decide the items to include in the ODS, Geçkil and Tikici (2015) created a pool of 156 items, using the literature review and field experts. The researchers reviewed those items, deleted repetitive statements, and arrived at a 68-item draft scale. The candidate scale then went to the expert panel (11 faculty members from the relevant field) for an assessment of content validity. Items with a low Item Content Validity Index (I-CVI) were removed, and a 42-item candidate scale form resulted, with I-CVI values varying between 0.82 and 1.0. The Scale Content Validity Index (S-CVI) was calculated as 0.88. Polit and Beck (2006) recommend that the I-CVI value be higher than 0.78 and the S-CVI value higher than 0.80 (p. 491). Thus, the content validity of the scale was rated as good.

Thereafter, the candidate scale was applied to the sample of 438 people. The data were analyzed by mean, standard deviation, Pearson Moment Correlation, Cronbach's Alpha, Explanatory Factor Analysis, and Confirmatory Factor Analysis, using SPSS 21 and LISREL 8.8 programs. Exploratory Factor Analysis for the construct validity used the data of 285 people (42% female, 58% male, 56.1% academician, and 43.9% officer). Confirmatory Factor Analysis used data of 153 participants (65.2% female, 34.8% male; 13.6% physician, 53.7% nurse/midwife, 20.4% pharmacist, physiotherapist, laboratory worker, x-ray technician, and 12.2% medical secretary, computer technician).

As a result of the Exploratory Factor Analysis (EFA), a 28-item scale encompassing five factors emerged (Geçkil and Tikici, 2015, p. 60). The first factor, *Participation-Criticism*, consisted of 8 items, and the factor loads of the items varied between 0.71 and 0.42. This subscale included such items as "Managers encourage me to participate in organizational decisions," and "Management takes criticism by employees into consideration." The second dimension, *Transparency*, identified 6 items with factor loadings ranging from 0.76 to 0.54. The Transparency subscale included such statements as "The works are carried out according to principles of transparency in my organization," and "There is an open and two-way communication in my organization." The third dimension, *Justice*, consisted of 5 items with factor loadings ranging from 0.63 to 0.52. The Justice dimension encompassed such statements as "My organization has a fair reward system," and "The wages and other incomes of the employees are determined by taking into account their contributions within their work and for their organization." The fourth dimension, *Equality*, consisted of 6 items with factor loadings ranging from 0.70 to 0.47. This subscale included such items as "There is no gender discrimination in my organization," and "Discrimination based on language, religion or race is not accepted in my organization." The last dimension, *Accountability*, consisted of 3 items with factor loadings varying between 0.78 to 0.43. The Accountability subscale comprises items such as "Policies and procedures in our workplace can always be questioned by employees," and "A culture of accountability has been developed in my institution" (Geçkil and Tikici, 2015, p. 61–62). The factor loads of the items in the ODS ranged from 0.42 to 0.78 (Geçkil

and Tikici, 2015, p. 63). The cumulative variance of the ODS was 58.78%. The social sciences consider a variance rate in the range of 40%−60% sufficient (Scherer et al., 1988). Items 21 and 23 in the scale represent inverse statements and must be recoded.

The Cronbach's α reliability coefficient of ODS was $α = 0.95$ for the total ODS scale. For the following subscales, Cronbach's α amounted to *participation-criticism* $α = 0.88$, *transparency* $α = 0.88$, *justice* $α = 0.80$, *equality* $α = 0.83$, and *accountability* $α = 74$. The ODS scale was twice applied to a group of 45 people for test-retest within a 2-week interval. The test-retest correlation coefficient was 0.87 ($p < 0.001$). Confirmatory Factor Analysis was performed to confirm the model that emerged as a result of Exploratory Factor Analysis, and the findings suggested that the ODS scale had good fit values. The goodness fit indexes of the Organizational Democracy Scale with Confirmatory Factor Analysis are as follows: χ2 = 575.8, Df = 340, X^2/df = 1.69, CFI = 0.97, and RMSEA = 0.064 (Geçkil and Tikici, 2015, p. 67). The original Turkish form of the organizational-democracy scale appears in **Appendix A** and **Appendix B** shows the form translated into English by the author.

For cross-validation purposes, the researcher assessed the convergence between the ODS and a similar scale. First, the similarities between the Organizational Justice Scale (OJS) and ODS subscales suggested that this convergence might exist. OJ is divided into two subscales: "fairness of results" (distributive justice) and "fairness of process" (procedural justice) (Gilliland and Chan, 2009, p. 169). In the 1980s, in addition to these two types, interpersonal relations were considered a new form of justice (interactional justice), recognized as a subcomponent of procedural justice in the 1990s (Cropanzano and Greenberg, 1997). The examination of the similarity between ODS and OJ considered distributive justice and procedural justice, in two investigative steps: first, the similarities between the subscales of ODS and OJS and, second, the effects of OD and OJ on several outcome variables in the field of individual and organizational psychology.

The "fairness of results subscale" (Gilliland and Chan, 2009) is similar to the justice, equality, and accountability dimensions of the ODS scale. While the perceptions of organizational outcomes and rewards and the equitable distribution of organizational assignments and promotions shape the justice subscale of the ODS, the equality subscale is attributable to distribution in accordance with regulations or directives. Perceptions of the fairness of the results can lead to subjective results relating to individual differences. The fact that the equality dimension proceeds on written rules can prevent the emergence of subjective differences. This feature reveals ODS's wider measurement nature than OJS's. On the other hand, the accountability dimension refers to the managers' accountability for the employees whom the work and operations affect. The perception of injustice regarding the results can cause negative employee behaviors toward superiors and the organization. The culture of accountability can prevent the emergence of negative behaviors, by endowing the employee with the power to solve problems.

Further, the fact that OD and OJ had similar effects on some typical outcome variables in the fields of individual and organizational psychology strengthened the idea of convergence

between the two constructs. OJ turned out to be an important determinant of attitudes and behaviors. Employees perceiving their managers and organizations to be fair partly shape job satisfaction and organizational commitment (Martin and Bennett, 1996). Equality and fairness concerns drive decisions on remuneration and other resource allocations (Scarpello and Jones, 1996). Evidence shows that voluntary behavior in organizations, both positive organizational belonging behaviors and negative antisocial behaviors, have a significant association with perceptions of justice and fairness (Greenberg, 1990b; Moorman, 1991).

Likewise, the findings of the focused systematic review that will be presented in the sections Results and Discussion indicate that OD has positive effects on employees' job satisfaction and organizational commitment as well as on Organizational Citizenship Behaviors, organizational identification and work engagement. Further, the results of this review will show that OD significantly reduces individual and organizational consequences that lead to negative behaviors, including organizational depression, job stress level, and intention to quit the job. These results of cross-validation strongly confirmed our hypothesis of conceptual relationships between ODS and OJS.

Finally, the strong correlation between the two scales indicates that the selection of OJS is appropriate in terms of convergence. The Pearson correlation amounts to $r = 0.80$ ($p < 0.001$) between the ODS and the Turkish adaptation by Yildirim (2002) of the Organizational Justice Scale (OJS) that Niehoff and Moorman (1993) developed. The subscales of the ODS correlated with the overall OJS score as follows: Participant-Criticism $r = 0.700$ ($p = 000$), Transparency $r = 0.702$ ($p = 000$), Justice $r = 0.671$ ($p = 000$), Equality $r = 0.692$ ($p = 000$), Accountability $r = 0.572$ ($p = 000$).

After the development of the scale in Turkey and its introduction to the literature, researchers began to use ODS extensively. Authors have begun to reveal the effects of OD by examining its relationship to several variables relevant to organizational behavior and organizational structure. The findings of each of these studies are valuable on their own, but examining all of them together and revealing the similarities and differences between them, through a meta-analysis or a systematic review, can identify unique contributions to the literature. Such a systematic review or meta-analysis searching OD and related factors in Turkey is lacking; thus, this study intends to close that gap. In their meta-analytical study, Weber et al. (2020) examine the psychological and social consequences of employee participation in democratic enterprises. By contrast, this systematic review covers both participation and other dimensions of OD. In this respect, it can provide important contributions to the OD literature. Thus, this study aims to present to practitioners, policymakers, and scientists the core information that will form a basis for their further studies.

The Aim and Questions of the Study

This focused systematic review aims to determine the OD levels of public- and private-sector employees in Turkey and their associated factors. The presentation of the study questions follows the PICOS format (P: Patient/Problem/ Population;

FIGURE 1 | PRISMA 2020 flow diagram: Selection and inclusion process of studies for systematic reviews. *Consider, if feasible to do so, reporting the number of records identified from each database or register searched (rather than the total number across all databases/registers). **If automation tools were used, indicate how many records were excluded by a human and how many were excluded by automation tools. Adapted from Page et al. (2021).

I: Intervention; C: Comparators, O: Outcomes; S: Study design) (Petticrew and Roberts, 2006; Centre for Reviews and Dissemination, 2008), and the questions are:

1. What is the level of perceived OD of public- and private-sector employees in Turkey?
2. What are the potential outcomes (and additional correlates) associated with OD?

METHODS

Article Type

This study is a focused systematic review of studies related to the OD scale in Turkey. This study establishes the systematic review protocol and the reporting of the articles in line with the PRISMA statement on systematic reviews (Page et al., 2021).

Search Strategy

The search included quantitative empirical studies using the ODS scale (Geçkil and Tikici, 2015) developed in Turkey. It was limited to literature published in journals, books, or congress books and unpublished national theses. The literature review covered the following steps:

- The following databases were searched for publications from January 2014, when the ODS was developed, to April 15, 2021, to find as many studies as possible that met the inclusion criteria. The last search was done on April 15, 2021. Using Turkish and English keywords, the search-engine databases used returned 1,767 records using Google Scholar (http://scholar.google.com.tr), the National Thesis Center (https://tez.yok.gov.tr/UlusalTezMerkezi/tarama.jsp), and Dergi Park (https://dergipark.org.tr/tr/), and Ulakbim (https://app.trdizin.gov.tr/advancedSearchs).
- To access additional publications, the researcher used personal contacts (i.e., authors who asked permission from the scale developer to use the scale in their research) and hand-searching (citations of the article reporting the ODS development and a search of conference papers). The references in the included publications were reviewed. In addition to the records identified through databases, the manual search produced a total of 11 publications.
- The Turkish keywords "örgütsel demokrasi" or "örgütsel demokrasi algısı" or "algılanan örgütsel demokrasi" or "örgütsel demokrasi ölçegi" were used for the search.
- The English keywords "organizational democracy" or "organizational democracy perception" or "perceived organizational democracy" or "organizational democracy scale" were searched.

TABLE 1 | Organizational democracy scale total and subscale scores of participants ($N = 9,902$).

Studies		Organizational democracy scale subscale and total scores					
References	N	PC Mean ± SD	T Mean ± SD	J Mean ± SD	E Mean ± SD	A Mean ± SD	ODS total Mean ± SD
1. Kesen (2015a)[a]	142	3.87 ± 0.78	4.04 ± 0.76	3.82 ± 0.88	4.03 ± 0.69	3.80 ± 0.97	3.92 ± 0.79*
2. Kesen (2015b)[a]	174	3.84 ± 0.74	3.88 ± 0.78	3.76 ± 0.88	4.05 ± 0.67	3.79 ± 0.96	3.87 ± 0.78*
3. Geçkil et al. (2016)[c]	363	2.69 ± 0.85	3.05 ± 0.83	2.64 ± 0.87	3.14 ± 0.59	2.82 ± 0.93	2.87 ± 0.67
4. Geckil and Tikici (2016)[b]	582	2.47 ± 0.83	2.70 ± 0.83	2.35 ± 0.87	2.86 ± 0.75	2.53 ± 0.97	2.59 ± 0.70
5. Bakan et al. (2017)[a]	201	3.45 ± 0.77	3.62 ± 0.74	3.52 ± 0.77	3.62 ± 0.84	3.48 ± 0.88	3.54 ± 0.79*
6. Geçkil et al. (2017)[b]	405	2.22 ± 0.91	2.60 ± 0.87	2.19 ± 0.87	3.02 ± 0.66	2.42 ± 0.98	2.49 ± 0.71
7. Geçkil and Koçyigit (2017)[a]	144	3.16 ± 0.97	3.37 ± 1.01	3.10 ± 0.94	3.31 ± 0.70	3.23 ± 1.09	3.25 ± 0.80**
8. Işik (2017)[b]	32	2.40 ± 0.93	3.08 ± 0.96	2.08 ± 0.86	3.23 ± 0.60	2.94 ± 1.15	2.75 ± 1.39
9. Işikgöz et al. (2017)[b]	191	3.64 ± 1.01	3.72 ± 0.68	3.44 ± 0.67	3.84 ± 0.37	3.95 ± 1.26	3.70 ± 0.80
10. Öge and Çiftçi (2017)[a]	77	3.02 ± 0.66	3.18 ± 0.72	2.95 ± 0.74	3.33 ± 0.54	3.11 ± 1.03	3.12 ± 0.49
11. Atalay (2018)[b]	920	3.64 ± 0.90	3.70 ± 0.66	3.79 ± 0.78	3.30 ± 0.45	3.77 ± 0.84	3.62 ± 0.72*
12. Aykanat and Yildiz (2018)[b]	120	2.72 ± 0.80	3.15 ± 0.1.01	2.76 ± 0.95	3.40 ± 0.81	3.15 ± 1.19	3.01 ± 0.92*
13. Çankaya (2018)[b]	200	2.40 ± 1.05	2.46 ± 0.1.21	2.19 ± 1.11	2.96 ± 0.78	2.13 ± 1.11	2.42 ± 1.05
14. Karagöz and Atilla (2018)[c]	142	3.28 ± 1.08	3.73 ± 0.96	3.33 ± 1.05	3.25 ± 1.26	3.22 ± 1.17	3.36 ± 1.11**
15. Tokay and Eyüpoglu (2018)[a]	240	3.28 ± 0.85	3.63 ± 0.92	3.34 ± 0.84	3.21 ± 0.76	3.54 ± 0.92	3.40 ± 0.88
16. Bakan and Gözükara (2019)[b]	181	2.80 ± 0.99	3.11 ± 1.01	2.68 ± 0.1.00	3.32 ± 0.97	2.87 ± 1.05	2.96 ± 1.00**
17. Barutçu (2019)[a]	120	3.08 ± 0.95	3.12 ± 0.86	3.51 ± 0.83	3.61 ± 0.74	3.66 ± 0.76	3.34 ± 0.84*
18. Günden (2019)[a]	367	3.24 ± 1.17	3.76 ± 1.03	3.21 ± 1.05	3.32 ± 1.19	3.11 ± 1.18	3.33 ± 1.12*
19. Karatepe (2019)[c]	300	3.00 ± 0.84	3.21 ± 0.90	3.00 ± 1.00	3.20 ± 0.61	2.90 ± 0.97	3.08 ± 0.85*
20. Naldöken and Limoncu (2019)[b]	326	2.51 ± 0.88	2.70 ± 0.91	2.19 ± 0.86	1.01 ± 0.84	2.52 ± 0.98	2.17 ± 0.70**
21. Uysal (2019)[b]	316	3.85 ± 1.01	3.78 ± 1.03	3.91 ± 1.03	3.86 ± 1.02	3.80 ± 1.08	3.87 ± 0.1.03*
22. Yalçinkaya (2019)[b]	397	3.08 ± 0.94	3.10 ± 0.87	3.54 ± 0.80	3.59 ± 0.74	3.70 ± 0.75	3.34 ± 0.84*
23. Bilyay et al. (2020)[b]	202	3.28 ± 0.88	3.63 ± 0.94	3.06 ± 0.91	3.65 ± 0.88	3.12 ± 1.01	3.29 ± 0.72
24. Erdal (2020)[b]	345	2.86 ± 1.16	3.19 ± 0.1.16	2.66 ± 0.1.19	3.20 ± 0.1.25	2.86 ± 0.1.12	2.95 ± 1.18*
25. Erkasap (2020)[a]	509	3.14 ± 0.94	3.37 ± 0.95	3.04 ± 0.89	3.80 ± 0.86	3.25 ± 0.92	3.33 ± 0.72
26. Erkasap and Ülgen (2020)[a]	225	3.12 ± 0.95	3.34 ± 0.96	3.07 ± 0.91	3.76 ± 0.84	3.23 ± 0.95	3.31 ± 0.73**
27. Kara (2020)[a]	300	3.04 ± 0.99	3.48 ± 0.81	3.30 ± 0.85	3.58 ± 0.59	4.02 ± 0.77	3.40 ± 0.82*
28. Karadağ and Geçkil (2020)[b]	192	2.87 ± 0.82	3.14 ± 0.91	2.74 ± 0.88	3.21 ± 0.81	2.71 ± 0.92	2.93 ± 0.76
29. Pelenk (2020)[a]	380	4.10 ± 0.70	4.18 ± 0.58	4.16 ± 0.68	4.18 ± 0.52	4.27 ± 0.67	4.18 ± 0.63
30. Üst Can (2020)[c]	281	3.01 ± 1.01	3.12 ± 0.98	2.81 ± 0.1.03	3.22 ± 0.60	3.03 ± 0.83	3.04 ± 0.89
31. Yildirim and Deniz (2020)[a]	252	2.88 ± 0.93	3.33 ± 0.92	2.69 ± 1.03	Removed	3.01 ± 1.01	2.98 ± 0.84
32. Çavuş and Biçer (2021)[a]	257	3.42 ± 0.90	3.52 ± 0.99	3.20 ± 0.1.07	Removed	3.18 ± 0.1.08	3.36 ± 0.99*
33. Geçkil and Şendoğdu (2021)[c]	397	3.09 ± 0.92	3.43 ± 0.86	3.07 ± 0.93	3.37 ± 0.63	3.21 ± 0.94	3.24 ± 0.74

(Continued)

TABLE 1 | Continued

Studies	References	N	Organizational democracy scale subscale and total scores					
			PC Mean ± SD	T Mean ± SD	J Mean ± SD	E Mean ± SD	A Mean ± SD	ODS total Mean ± SD
34.	Tokgöz and Önen (2021)[b]	622	3.80 ± 0.80	4.25 ± 0.66	3.75 ± 0.90	4.05 ± 0.67	3.71 ± 0.90	3.90 ± 0.65**
35.	Bilge et al. (2020)[a]	209						No Data***
36.	Can and Dogan (2020)[b]	129						3.42 ± 1.04***
37.	Şenol and Aktaş (2017)[a]	130						2.95 ± 0.89***
[a]Private Sector		3,727	3.59 ± 0.87	3.33 ± 0.89	3.68 ± 0.78	3.49 ± 0.93	3.47 ± 0.82	3.34 ± 0.90
[b]Public Sector		5,160	3.31 ± 0.85	3.08 ± 0.90	3.25 ± 0.74	3.15 ± 0.96	3.17 ± 0.80	3.10 ± 0.92
[c]Mix(Public and Private)		1,483	3.26 ± 0.89	2.93 ± 0.96	3.24 ± 0.67	3.02 ± 0.94	3.09 ± 0.81	2.98 ± 0.92
Total		10,370	3.42 ± 0.86	3.17 ± 0.91	3.47 ± 0.74	3.27 ± 0.95	3.30 ± 0.81	3.18 ± 0.91

[a]Private Sector, [b]Public Sector, [c]Public and Private Sector.

PC, Participate-Criticism; T, Transparency; J, Justice; E, Equality; A, Accountability.

*The mean of the ODS total score was not given in the study, so the weighted mean of the ODS total score was calculated by the subscales or items summing.

**These data are unpublished data obtained from the authors.

***Studies with different scale structures.

- As a result of searching with these keywords, a total of 1,778 records (1,761 from the databases and 17 from the website of the Council of Higher Education Thesis Center) were obtained between January 2014 and April 2021. After examining these records, 178 duplicate studies were removed. The remaining 1,583 studies were examined by title and abstract, and 1,430 studies that the researcher considered irrelevant were excluded. Finally, 153 studies were analyzed as full text for the research. Of these, 63 were excluded because they were conducted in countries other than Turkey. Since 52 of these studies were books, book chapters, compilations, case studies, and scale-development studies, they were excluded because they did not represent quantitative or experimental studies. Five of the remaining studies were excluded because they used a tool that measured OD with different dimensions and content. Five more were excluded because of the quality assessment. Seven out of 17 theses were excluded because they were published as manuscripts already accessed through the database search. One thesis was excluded because of a lack of data. Nine unpublished theses were included. As a result, a total of 37 studies examining the OD perceptions of employees in Turkey were included in this systematic review (see **Figure 1**. PRISMA 2020 flow diagram).
- The total sample size of these 37 studies was $N = 10,370$ participants.

Selection of Studies

Studies included in this systematic review qualified according to the inclusion and exclusion criteria.

Inclusion criteria for the study

- Quantitative empirical studies conducted in Turkey,
- Published in Turkish or English,
- Examining the level of OD in private and/or public institution employees,
- Examining the relationship between the level of OD and demographics, work characteristics.

Exclusion criteria;

- Quantitative or qualitative research review,
- A book or a book chapter that does not include an empirical study,
- Using a measurement tool other than the ODS (Geçkil and Tikici, 2015) to measure the level of OD.

Evaluation of Methodological Quality of Studies

Making a methodological quality assessment to determine the possibility of bias in the design, conduct, and analysis stages of the studies to include in systematic reviews is recommended procedure (Moola et al., 2020). The researcher determined the methodological quality of 43 studies according to inclusion and exclusion criteria in this systematic review. The types of studies this systematic review includes are analytical and cross-sectional. For this reason, the quality-assessment tool used was the Analytical Cross-Sectional Studies Critical Appraisal Tool, developed by the Joanna Briggs Institute (JBI) and collaborators, and approved by the JBI Scientific Committee following extensive

peer review (Moola et al., 2020). After the screening process examined the title, abstract and full text, 43 identified empirical studies were evaluated for quality, including 27 published articles, 10 unpublished theses (five of which were master's theses and five doctoral dissertations), five conference papers, and one working study. As a result of the quality evaluation, six studies were excluded due to sample overlap ($n = 3$), change in the factor structure of ODS ($n = 2$), and lack of data ($n = 1$). **Appendix C** shows the excluded studies. As a result of the quality assessment, this review included 37 studies. The master theses (Barutçu, 2019; Uysal, 2019; Yalçinkaya, 2019; Erdal, 2020; Kara, 2020) included in the present study were uploaded to a data repository (see https://osf.io).

Data Extraction

The researcher prepared the data extraction form used to obtain the relevant data for the research review. It includes information concerning the publication year, type, language, sector type, sample size, participants' education level, ODS scores of participants, demographics, and variables whose relationship with OD is examined. It also includes the main results of these studies.

RESULTS

The results of this study, whose aim was to examine the perceived OD levels of employees and associated work and organizational psychological outcomes, appear in several basic tables. First, the means of the ODS total score and subscale scores of the employees are reported in **Table 1**. Then, **Table 2** compares ODS total scores and subscale scores of private- and public-sector employees. **Table 3** indicates descriptive characteristics of the 37 studies, including variables associated with OD, and some results. Further, **Table 4** represents the main results in describing the correlation or regression coefficients of OD and its dimensions with related variables. The **Appendices D** and **E** delineate each study in more detail.

Table 1 encompasses ODS total and subscale scores ($N = 9,902$ participants) from the 37 studies included in this focused systematic review. **Table 1** shows the calculated weighted averages of the ODS total scores of the employees (mean = 3.30 ± 0.81). The results of the subscale scores indicate that the employees show the lowest score with regard to the justice subscale (mean = 3.17 ± 0.91), and the highest score with regard to the equality subscale (mean = 3.47 ± 0.74). The private-sector employees' ODS total score ($U = 56.000$; $p = 0.032$), participation-criticism score ($U = 57.000$; $p = 0.036$), transparency score ($U = 58.500$; $p = 0.042$), equality score ($U = 49.500$; $p = 0.048$), and accountability score ($U = 59.500$; $p = 0.047$) were significantly higher than the scores of public-sector employees (**Table 2**). There was no significant difference between the justice subscale scores of private- and public-sector employees ($U = 61.000$; $p = 0.055$).

Table 3 indicates that 25 (67.6 %) of the 37 included studies represent published manuscripts, and 9 (24%) of them are unpublished thesis. Most of the studies (73%) are written in Turkish and 27% are in English. The sample of this systematic review consists of $N = 10,370$ participants, half of whom (49.5%) were male. The venues of the studies include 43.2% in public-sector organizations and 43.2% in private-sector enterprises. Seven (18.9%) of the studies were conducted in the health sector, 7 (18.9%) in the education sector, and 4 (10.8%) in the banking sector. The professional education level of the majority of the employees (67%) was "university graduate" or higher.

A significant relationship between age and ODS scores occurred in 6 of 11 studies (Geçkil et al., 2016, 2017; Çankaya, 2018; Kara, 2020; Üst Can, 2020; Geçkil and Şendoğdu, 2021; see **Appendix D**). In 4 of these studies, the ODS scores of the participants over the age of 40 were significantly higher than those of participants under the age of 40 (Geçkil et al., 2016, 2017; Çankaya, 2018; Kara, 2020). In one study, the ODS score of those under the age of 31 was higher than the score of those between the ages of 32 and 37 (Geçkil and Şendoğdu, 2021), while in another study, a negative significant but weak correlation was found between ODS accountability and age (Üst Can, 2020). In another 5 studies, no significant association between age and ODS appeared (Geckil and Tikici, 2016; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Yalçinkaya, 2019; Erdal, 2020).

Fifteen studies investigated the relationship between gender and ODS scores (see **Appendix D**). A significant relationship between gender and ODS scores appeared in a total of 7 studies. In 6 of these, men's ODS scores were significantly higher (Geckil and Tikici, 2016; Geçkil et al., 2017; Çankaya, 2018; Karatepe, 2019; Yalçinkaya, 2019; Kara, 2020). In one study, female participants' scores were higher (Karadağ and Geçkil, 2020). Eight studies showed no significant correlation between gender and ODS scores (Işikgöz et al., 2017; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Naldöken and Limoncu, 2019; Bilyay et al., 2020; Erdal, 2020; Üst Can, 2020; Geçkil and Şendoğdu, 2021).

Eleven studies investigated the relationship between education levels and ODS scores. In 8 of these, it was reported that there was no significant relationship between both variables (Geckil and Tikici, 2016; Geçkil et al., 2016; Işikgöz et al., 2017; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Yalçinkaya, 2019; Geçkil and Şendoğdu, 2021). Three studies indicated a negative correlation between the two variables (Karatepe, 2019; Kara, 2020; Üst Can, 2020). On the contrary, in one study, scores of those employees with vocational school degrees were higher than those with high school degrees (Çankaya, 2018).

Appendix D further shows the findings of 11 studies that examined the relationship between the ODS and the marital status of the participants. In 6 of these studies, no significant relationship between the marital status of the participants and their ODS scores appeared (Işikgöz et al., 2017; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Yalçinkaya, 2019; Erdal, 2020; Üst Can, 2020). ODS scores of singles in 4 studies (Çankaya, 2018; Karatepe, 2019; Geçkil and Şendoğdu, 2021; Naldöken and Limoncu) and of married participants in one study were significantly higher (Kara, 2020).

Sixteen studies examined the relationship between participants' job tenure and ODS. Eight of them indicate no significant relationship between those variables (Geçkil et al., 2016; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Naldöken and Limoncu, 2019; Yalçinkaya, 2019; Bilyay et al., 2020; Erdal, 2020;

TABLE 2 | Comparison of ODS and subscale scores of private and public sector employees.

ODS total and subscales	Sector type	N	Mean rank	Sum of ranks	Mann-Whitney U	Z	P
Participation-Criticism	Private	14	18.43	258.00	57.000	−2.096	0.036
	Public	15	11.80	177.00			
Transparency	Private	14	18.32	256.50	58.500	−2.030	0.042
	Public	15	11.90	178.50			
Justice	Private	14	18.14	254.00	61.000	−1.921	0.055
	Public	15	12.07	181.00			
Equality	Private	14	17.38	208.50	49.500	−1.977	0.048
	Public	15	11.30	169.50			
Accountability	Private	14	18.25	255.50	59.500	−1.987	0.047
	Public	15	11.97	179.50			
ODS total	Private	14	18.50	259.00	56.000	−2.140	0.032
	Public	15	11.73	176.00			

Üst Can, 2020). A significant relationship between the duration of job experience and ODS scores appeared in eight studies. In four of them, those participants with <5 years of experience had higher ODS scores (Geckil and Tikici, 2016; Geçkil et al., 2017; Işikgöz et al., 2017; Geçkil and Şendoğdu, 2021); in three of them, participants with longer experience had higher ODS scores (Çankaya, 2018; Karatepe, 2019; Kara, 2020).

The other 21 variables, whose relationships with ODS the studies in this focused systematic review examine, represent typical work and organizational psychological outcomes or correlates of OD (for details see **Table 3**). The findings that **Appendix D** presents and **Table 4** summarizes relate to employees' behavior, experience, and attitudes. Following the approach of Positive Organizational Behavior (Dutton and Glynn, 2007; Campbell Quick et al., 2010), several outcome variables represent positive organization and employee effects (e.g., organizational citizenship behaviors, job satisfaction, psychological capital, organizational commitment). Organizational dissent, silence, and depression, as well as job stress and intention to quit the job, are considered negative outcomes of low levels of organizational conditions (e.g., Weber et al., 2020).

Four of the studies included in this systematic review (Işik, 2017; Işikgöz et al., 2017; Atalay, 2018; Üst Can, 2020) do not appear in **Table 4** because they examined only the relationship between ODS and demographic variables. In **Table 4**, high regression and correlation coefficients between some variables and ODS subscales draw attention. For example, Yildirim and Deniz (2020) report very high beta coefficients between work engagement and the ODS subscale "transparency" (ß = 0.746 to 0.867). Geckil and Tikici (2016) found very high correlations between the OCB civic virtue subscale and ODS and its subscales (r = 531–892). This situation may raise the question of whether those items are so similar that they are measuring the same phenomena. However, a comparison of the item contents of these subscales showed such different semantic contents that they do not represent the same thing.

Both theory and existing empirical research let assume that features of OD will be positively associated with features of OCB (see the meta-analysis by Weber et al., 2020). This may be the case because collective planning and decision making allows as well as requires mutual help among the participating employees. OCB refers to constructive and responsible participation in organizational processes (Organ, 1988). Five studies (13.5%) investigated the relationship between ODS and organizational citizenship behaviors (OCB). Statistically significant positive relationships between total scores of ODS and OCB appeared in three studies (Tokay and Eyüpoglu, 2018; Barutçu, 2019; Günden, 2019). In one study, the ODS total score was associated (Tokay and Eyüpoglu, 2018), in another study it was not associated with OCB total (Geckil and Tikici, 2016). Two studies (Geckil and Tikici, 2016; Çavuş and Biçer, 2021) examined relationships between scores of ODS subscales and OCB subscales. In one study (Geckil and Tikici, 2016), no significant relationship between ODS and its subscales and the OCB sportsmanship subscale was found. In the same study, and not in line with OD theory, a negative and weak correlation (r = −0.118 to −0.193) was identified between ODS total and its subscales and the OCB altruism subscale. ODS total and all ODS subscales correlated significantly and positively with the OCB conscientiousness, courtesy, and civic virtue subscales (r = 0.379 to 0.892; Geckil and Tikici, 2016). Despite a negative association between four of the ODS subscales and OCB courtesy, positive relationships (r = 0.414–0.487) were found between ODS subscales and OCB altruism, conscientiousness, sportsmanship, and civic virtue (Çavuş and Biçer, 2021). A further study demonstrated positive associations between ODS total, together with the transparency, justice, equality, and accountability ODS subscales and OCB total, but no relationship was found between the ODS participation-criticism subscale and OCB total (Barutçu, 2019).

Organizational dissent means that employees can express their discomfort and ideas within the organization. Organizational dissent is described as a "necessary devil" in modern organizations (Zeng, 2018). Offering work-related freedom

TABLE 3 | The characteristics of the studies included in focused systematic review.

Number of studies	Type of article and publication language	Publication language	Sector type	Sample size	Educational status	Cronbach's alpha reliability coefficient	Variables searched to be related
37	Manuscript: 25 (67.6%) Unpublished Thesis: 9 (24%) Conference Paper: 2 (5.4%) Working Paper: 1 (3%)	Turkish: 27 (73%) English: 10 (27%)	Public: 16 (43.2%) Private: 16 (43.2%) Public and Private (Mixed): 5 (13.6%) **Sector:** Health: 7 (18.9%) Education: 7 (18.9%) Banking: 4 (10.8%) Hospitality: 2 (5.4 %) Retail: 2 (5.4 %) Various: 3 (8.1 %) Other: 12 (32.5%)	$N = 10,370$ Female: 4,864 (46.9%) Male: 5,128 (49.5%) Unknown: 378 (3.6%)	Primary school+ High school: 1,781 (17.1%) Graduate+ Postgraduate: 6,949 (67%) Unknown: 1,653 (15.9%)	0.70–0.79: 40.80–0.89: 3 Over 0.90: 20 Subscales: 7 Participate-Criticism: 0.805–0.938 Transparency: 0.718–0.924 Justice: 0.712–0.889 Equality: 0.660–0.916 Accountability: 0.679–0.850	• Demographics: 20 (54.1%) • Pcychological Variables ($n = 21$) - Organizational citizenship behaviors (OCB): 5 (13.5%) - Organizational dissent: 5 (13.5%) - Job satisfaction: 3 (8.1%) - Psychological capital: 3 (8.1%) - Organizational commitment: 3 (8.1%) - Organizational silence: 3 (8.1%) - Organizational identification: 2 - Social capital: 1 - Intrapreneurship tendency:1 - Organizational justice:1 - Organizational support:1 - Political sensitivity:1 - Organizational depression:1 - Quality of work life: 1 - Organizational culture: 1 - Job stress level: 1 - Employee performance:1 - Work engagement: 1 - Intention to quit from job: 1 - Ethical leadership: 1 - Psychological empowerment: 1

TABLE 4 | The correlations and regression of related factors with ODS total and subscales.

Related factors		ODS total	ODS subscales				
			Participation-Critism	Transparency	Justice	Equality	Accountability
		r/β/R^2	r/β	r/β	r/β	r/β	r/β
Geckil and Tikici (2016)	**OCB total**	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Altruism	−0.186**	−0.167**	−0.152**	−0.193**	−0.118*	−0.137*
	Conscientiousness	0.579**	0.486**	0.682**	0.407**	0.404**	0.379**
	Courtesy	0.786**	0.704**	0.759	0.714**	0.470**	0.577**
	Sportsmanship	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Civic virtue	0.892**	0.862**	0.857**	0.732**	0.531**	0.638**
Tokay and Eyüpoglu (2018)	**OCB total**	0.257**	0.245**	0.201**	0.329**	0.404**	0.309**
Barutçu (2019)	**OCB total**	$R^2 = 0.741; p = 0.000$	$P > 5$	β =0.074; p:0.030	$\beta = 0.454; p:0.000$	$\beta = 0.501; p:0.000$	$\beta = 0.105; p:0.008$
Günden (2019)	**OCB total**	0.40*					
Çavuş and Biçer (2021)	**OCB total**						
	Altruism		0.431**	0.357**	0.369**		0.364**
	Conscientiousness		0.496**	0.442**	0.438**		0.435**
	Courtesy		−0.458**	−0.390**	−0.468**		−0.424**
	Sportsmanship		0.432**	0.414**	0.454**		0.487**
	Civic virtue		0.676**	0.620**	0.674**		0.614**
Bilyay et al. (2020)	**Organizational dissent**	0.220*					
	Upward dissent	0.480*					
	Lateral dissent	$p > 0.05$					
Erdal (2020)	**Organizational dissent**	0.647					
Erkasap (2020)	**Organizational dissent**	$\beta = 0.304; p = 0.003$					
	Upward dissent	$p > 0.05$	$p > 0.05$	β = 0.464; p = 0.001	$\beta = -0.451; p = 0.001$	$p > 0.05$	β = −0.332; p = 0.001
	Lateral dissent		β = 0.336; p = 0.001	β = −0.286; p = 0.001	$p > 0.05$	β = −0.205; p = 0.001	$p > 0.05$
Erkasap and Ülgen (2020)	**Organizational dissent**		$p > 0.05$	β = 0.286; p = 0.001	$\beta = -0.251; p = 0.001$	β = −0.150; p = 0.020	β = −0.228; p = 0.001
	Upward dissent		$p > 0.05$	β = 0.459; p = 0.001	$\beta = -0.445; p = 0.001$	$p > 0.05$	β = −0.331; p = 0.001
	Lateral dissent		β = 0.267; p = 0.001	β = −0.192; p = 0.001	$p > 0.05$	β = −0.262; p = 0.001	$p > 0.05$
Pelenk (2020)	**Organizational dissent**						
	Upward dissent		$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Lateral dissent		0.263**	0.258**	0.216*	$p > 0.05$	$p > 0.05$
Kesen (2015a)	**Job satisfaction**		0.372**	0.397**	0.495**	0.438**	0.237**
Geçkil et al. (2017)	**Job satisfaction**	0.622**	0.536**	0.566**	0.527**	0.494**	0.453**
	Intrinsic satisfaction	0.538**	0.467**	0.503**	0.415**	0.449**	0.391**
	Extrinsic satisfaction	0.613**	0.525**	0.546**	0.559**	0.468**	0.447**
Çankaya, 2018	**Job satisfaction**		0.475**	0.547**	0.563**	0.449**	0.517**
	Intrinsic satisfaction		0.419**	0.480**	0.498**	0.411**	0.473**

(Continued)

TABLE 4 | Continued

Related factors		ODS total	ODS subscales				
			Participation-Critism	Transparency	Justice	Equality	Accountability
		r/β/R²	r/β	r/β	r/β	r/β	r/β
	Extrinsic satisfaction		0.510**	0.590**	0.602**	0.457**	0.530**
Geçkil et al. (2016)	**Psychological capital**	0.126*	0.110*	0.174**	$p > 0.05$	$p > 0.05$	0.153**
	Optimism	0.115*	0.110*	0.137**	$p > 0.05$	$p > 0.05$	0.185**
	Resilience	0.118*	$p > 0.05$	0.164**	$p > 0.05$	$p > 0.05$	0.141**
	Hope	$p > 0.05$	$p > 0.05$	0.150**	$p > 0.05$	$p > 0.05$	0.123*
	Self–efficacy	0.106*	0.121*	0.153**	$p > 0.05$	$p > 0.05$	$p > 0.05$
Geçkil and Koçyigit (2017)	**Psychological capital**	0.338**	0.292**	0.274**	0.264**	0.349**	0.275**
	Optimism	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Resilience	0.561**	0.519**	0.477**	0.471**	0.500**	0.389**
	Hope	0.301**	0.254**	0.246**	0.227*	0.301**	0.276**
	Self–efficacy	0.268**	0.237**	0.207*	0.196*	0.270**	0.250**
Karagöz and Atilla (2018)	**Psychological capital**	0.391**					
Naldöken and Limoncu (2019)	**Organizational commitment**	0.427**	0.336**	0.302**	0.351**	0.383**	0.446**
	Affective commitment	0.368**	0.321**	0.270**	0.304**	0.296**	0.330**
	Continuance commitment	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Normative commitment	0.489**	0.401**	0.352**	0.416**	0.415**	0.470**
Uysal (2019)	**Organizational commitment**	$p < 0.05$					
Yalçinkaya (2019)	**Organizational commitment**	$R^2 = 0.126$; p:0.000					
	Affective commitment		$p > 0.05$	$p > 0.05$	$p > 0.05$	β = 0.225; p:0.015	$p > 0.05$
	Continuance commitment		$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Normative commitment		β = −0.376; p:0.000	β = 0.482; p:0.000	$p > 0.05$	$p > 0.05$	$p > 0.05$
Erkasap (2020)	**Organizational silence**	β = −0.309; p:0.004					
	Acquiescent silence		β = −0.274; p:0.001	β = −0.310; p:0.001	β = −0.134; p:0.023	$p > 0.05$	$p > 0.05$
	Defensive silence		$p > 0.05$	$p > 0.05$	β = −0.305; p:0.001	β = −0.162; p:0.004	$p > 0.05$
	Pro-social silence		$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$	β =0.151 p:0.001
Karadağ and Geçkil (2020)	**Organizational silence**	−0.218**	−0.182*	−0.165*	−0.159*	−0.192**	−0.258**
	Acquiescent silence	−0.192**	−0.185*	−0.165*	$p > 0.05$	−0.156*	−0.218**
	Defensive silence	$p > 0.05$	0.149*	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Pro–social silence	−0.293**	−0.283**	−0.255**	−0.184*	−0.293**	−0.279**
Kesen (2015a)	**Organizational identification**		0.433**	0.383**	0.417**	0.381**	0.304**
Kesen (2015b)	**Organizational identification**		0.482**	0.472**	0.375**	0.399**	0.415**
Aykanat and Yildiz (2018)	**Social capital**						
	Structural		0.567**	0.556**	0.621**	0.600**	0.645**
	Relational		0.303**	0.327**	0.338**	0.591**	0.507**
	Cognitive		0.503**	0.516**	0.460**	0.688**	0.658**

(Continued)

TABLE 4 | Continued

Related factors		ODS total	ODS subscales				
			Participation-Critism	**Transparency**	**Justice**	**Equality**	**Accountability**
		r/β/R^2	r/β	r/β	r/β	r/β	r/β
Öge and Çiftçi (2017)	**Intrapreneurship tendency**	0.668**					
	Innovation	0.521**	0.402**	0.461**	$p > 0.05$	0.515**	0.267*
	Risk-taking and proactivity	0.642**	0.663**	0.544**	0.268*	$p > 0.05$	0.419**
	Autonomy	0.353**	0.471**	0.291*	$p > 0.05$	$p > 0.05$	0.324**
Bakan et al. (2017)	**Organizational justice**						
	Distributive		0.545**	0.553**	0.595**	0.503**	0.513**
	Procedural		0.547**	0.628**	0.592**	0.575**	0.557**
	Interpersonal		0.479**	0.549**	0.523**	0.555**	0.478**
	Informational		0.498**	0.606**	0.510**	0.553**	0.769**
Bakan et al. (2017)	**Organizational support**		0.403**	0.476**	0.365**	0.412**	0.714**
Karatepe (2019)	**Political sensitivity**	0.256**	0.191**	0.259**	0.266**	0.193**	0.172**
	Knowledge	0.285**	0.208**	0.269**	0.317**	0.187**	0.254**
	Cognition	0.166*	0.130*	0.199*	$p > 0.05$	0.169*	0.144*
	Participation	0.136*	0.119*	0.145*	0.178*	0.202**	0.140*
	Interest	0.150**	0.136*	0.139*	0.195**	0.158*	0.147*
Bakan and Gözükara (2019)	**Organizational depression**		−0.601**	−0.714**	−0.602**	−0.577**	−0.620**
Geçkil and Şendoğdu (2021)	**Quality of work life**	0.801**	0.771**	0.776**	0.726**	0.545**	0.600**
	Job and career satisfaction	0.676**	0.628**	0.652**	0.612**	0.451**	0.539**
	General wellbeing	0.716**	0.693**	0.698**	0.634**	0.509**	0.531**
	Control at work	0.684**	0.697**	0.635**	0.624**	0.410**	0.534**
	Working conditions	0.745**	0.700**	0.738**	0.677**	0.527**	0.547**
	Stress at work	0.516**	0.463**	0.521**	0.465**	0.421**	0.359**
	Home-work interface	0.732**	0.735**	0.705**	0.676**	0.459**	0.539**
Pelenk (2020)	**Organizational culture**						
	Clan		−0.108*	−0.105*	−0.120*	$p > 0.05$	$p > 0.05$
	Adhocracy		0.103*	$p > 0.05$	$p > 0.05$	$p > 0.05$	$p > 0.05$
	Market		0.166**	0.276**	0.223**	0.283**	0.231*
	Hierarchical		0.175**	$p > 0.05$	$p > 0.05$	0.275**	0.219*
Tokgöz and Önen (2021)	**Job stress level**		$p > 0.05$	$p > 0.05$	$\beta = -0.14; p:0.01$	$\beta = -0.24; p:0.001$	$\beta = 0.14; p:0.001$
Kesen (2015b)	**Employee performance**		0.353**	0.362**	0.308**	0.330**	0.272**
Yildirim and Deniz (2020)	**Work engagement**	$\beta = 0.407; p:0.001$					
	Vigor		$\beta = -0.294; p < 0.001$	$\beta = 0.855\ p < 0.001$	$\beta = -0.288\ p < 0.001$		$\beta = -0.075\ p:0.035$
	Dedication		$\beta = -0.343\ p < 0.001$	$\beta = 0.867\ p < 0.001$	$\beta = -0.215\ p < 0.001$		$\beta = -0.073\ p:0.036$
	Absorption		$\beta = -0.205\ p < 0.001$	$\beta = 0.746\ p < 0.001$	$\beta = -0.402\ p < 0.001$		$p > 0.05$
Kara (2020)	**Intention to quit from job**	−0.418**	−0.389**	−0.417**	−0.476**	−0.165**	$p > 0.05$

*$p < 0.01$, **$p < 0.001$.
–There is no reported data for blank cells in the table.

of thought, OD can lead to the emergence and existence of organizational dissent. A democratic work environment leads employees to embrace work-related facts and, thus, increase their performance (Ahmed et al., 2019). This review includes 5 (13.5%) studies that explore the relationship between ODS and organizational dissent. Three report positive and significant associations between ODS total and organizational dissent total scores. The level of the relationship was weak ($r = 0.220$) in one study (Bilyay et al., 2020) and moderate or strong (respectively, $\beta = 0.304$; $r = 0.647$) in two other studies (Erdal, 2020; Erkasap, 2020) (see **Appendix D** and **Table 4**). Two studies investigated the relationship between ODS total and organizational upward dissent. One showed no relationship ($p > 0.5$) (Erkasap, 2020) while a moderately positive relationship was found in the other ($r = 0.480$; $p < 0.5$) (Bilyay et al., 2020). The relationship between ODS total and organizational lateral dissent was investigated in only one study, no significant correlation appeared. The studies by Erkasap (2020) and Erkasap and Ülgen (2020) revealed a positive, significant, and moderate relationship between the ODS transparency subscale and upward organizational dissent. In two studies, negative, significant, and moderate relationships were found between the ODS justice and accountability subscales and the organizational dissent total (Erkasap, 2020; Erkasap and Ülgen, 2020). Similarly, the study of Erkasap and Ülgen (2020) found negative correlations between the ODS justice and accountability subscales and upward dissent. Further, in two studies, ODS transparency and equality subscales had weak and negative effects on lateral dissent (Erkasap, 2020; Erkasap and Ülgen, 2020), whereas ODS transparency had a positive influence on the latter and equality had none in Pelenk's 2020 study. In three studies, ODS participation-criticism affected lateral dissent significantly positively (Erkasap, 2020; Erkasap and Ülgen, 2020; Pelenk, 2020), thought, contrary to theoretical assumptions, no significant associations were identified with upward dissent.

It is widely believed that the employee participation may affect employee's job satisfaction, because, for example, participation satisfies employees' basic needs for autonomy and competence. Therefore, employee participation seems to be an important determinant of job satisfaction (Heller et al., 1998; Bhatti and Qureshi, 2007). As **Appendix D** and **Table 4** show that positive, significant, and moderate correlations were found in all 3 relevant studies (8.1%) that examined the relationship between the ODS subscales and job satisfaction subscales ($r = 0.237–0.602$) (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018). One study examined the associations between ODS total and job satisfaction and its subscales, which revealed significant and strong positive correlations ($r = 0.538–0.622$) (Geçkil et al., 2017).

Employees' belief in their own abilities, strong will, having a positive perspective, and being able to make positive changes in failure or distress are closely related to their psychological capital (Luthans and Youssef, 2004). Organizational democracy can improve the positive mood of the employees by changing the socio-moral atmosphere of organizations. In turn, positive mood of employees can increase their optimism, hope, resilience and self-efficacy. However, it is thought that the change in psychological capital may be related to individual factors rather than the environment. Three studies (8.1%) inspected the

relationship between ODS and psychological capital. In one (Geçkil et al., 2016), a weak correlation ($r = 0.126$) and in the other two (Geçkil and Koçyigit, 2017; Karagöz and Atilla, 2018), a moderate correlation ($r = 0.338–0.391$) appeared between the total scores of ODS and psychological capital. Not in line with theory, Geçkil et al. (2016) found no significant relationship between ODS total and hope; further, Geçkil and Koçyigit (2017) found no relation between ODS total, ODS subscales and optimism. These results, which are inconsistent with OD theory, are thought to be related to individual factors. In one study, ODS total and some of the ODS subscales were associated significantly and positively with the total score and some subscales of psychological capital, namely, resilience, hope, and self-efficacy. Weak correlations were found between the ODS participation-criticism subscale and the scores of psychological capital total, and only one subscale of psychological capital, namely, self-efficiency (Geçkil et al., 2016; Geçkil and Koçyigit, 2017). The ODS transparency subscale correlated positively and weakly with the psychological capital total score and with nearly all of its subscales (Geçkil et al., 2016; Geçkil and Koçyigit, 2017). In contrast to Geçkil and Koçyigit (2017) and Geçkil et al. (2016) identified no significant relationships between the ODS justice and equality subscales. Significantly positive and weak correlations occurred between the ODS accountability subscale and nearly all indicators of psychological capital (Geçkil et al., 2016; Geçkil and Koçyigit, 2017).

Organizational democracy is expected to play a potential role that affects organizational commitment (Allen and Meyer, 1996). So many things could be affected by the lack of OD including employees' commitment to their organization. According to Harrison and Freeman (2004), organizational democracy can help to foster commitment to the organization since, through OD, employees could develop the ability to influence the organization in which they work. By increasing participation in decision-making decisions can be implemented in a smoother way, as well as the commitment of employees toward the final adoption can be increased. Three studies (8.1%) examined the relationship between ODS and organizational commitment (Naldöken and Limoncu, 2019; Uysal, 2019; Yalçinkaya, 2019). Two studies reported significant and positive associations, and one study exhibited no correlation between the total scores of ODS and organizational commitment. The work of Naldöken and Limoncu (2019), and Yalçinkaya (2019) found no relation between continuance commitment and ODS total and the ODS subscales, though Yalçinkaya (2019) identified affective commitment associated with the ODS equality subscale, and normative commitment negatively related to ODS participation-criticism and positively to ODS transparency. Naldöken and Limoncu (2019) revealed significant positive relationships between ODS total and all ODS subscales and all indicators of organizational commitment except continuance commitment.

Organizational silence can deeply affect important areas of the organization such as organizational change, development, transformation of the organization into a pluralistic structure, and decision making (Morrison and Milliken, 2000). In the event that subordinates give incorrect or insufficient feedback or provide no feedback not at all, the organization cannot

perceive its own objective position and, thus, will be negatively affected (Milliken et al., 2003). Organizational democracy can break the silence by enabling the employee to criticize what is going on around him. Two studies examined the relationship between ODS and organizational silence. In these two studies, a negative and significant relationship appeared between the total of ODS and organizational silence scores (Erkasap, 2020; Karadağ and Geçkil, 2020). In one study, negative and significant relationships were found between acquiescent silence and ODS participation-criticism ($\beta = -0.274$; $p = 0.001$) transparency ($\beta = -0.310$; $p = 0.001$), and justice subscales ($\beta = -0.134$; $p = 0.023$) (Erkasap, 2020). In another study, negative and significant ($r = -0.156$ to -0.218) relationships arose between acquiescent silence and ODS participation-criticism, equality, accountability, and transparency subscales (Karadağ and Geçkil, 2020). In this study, positive and significant relationships were found between quiescent (defensive) silence and only the participant-criticism subscale (Karadağ and Geçkil, 2020). Negative correlations were found between defensive silence and equality and justice subscales (Erkasap, 2020). Negative and significant relationships were present between the pro-social (protective) silence and ODS total and its subscales (Karadağ and Geçkil, 2020). On the other hand, Erkasap (2020) found a weak positive correlation between pro-social silence and the accountability subscale.

Organizational identification is a type of psychological attachment that occurs when members take on key characteristics of the organization as defining characteristics for themselves (Dutton et al., 1994, p. 242). It can be expected that employees who work in organizations that create a democratic climate would be able to identify with their organizations. Two studies examined the relationship between ODS and organizational identification (Kesen, 2015a,b). Both studies found significant, positive, and moderate correlations between ODS subscales and organizational identification ($r = 0.304$–0.482).

Additionally, one study each demonstrated positive and significant relationships between ODS indicator scales and social capital (Aykanat and Yildiz, 2018), intrapreneurship tendency (Öge and Çiftçi, 2017), organizational justice, organizational support (Bakan et al., 2017), political sensitivity (Karatepe, 2019),

quality of work-life (Geçkil and Şendoğdu, 2021), and employee performance (Kesen, 2015b).

One relevant study also found negative and significant relationships between most ODS subscales and organizational depression (Bakan and Gözükara, 2019), and intention to quit the job (Kara, 2020). A negative relationship was reported between the equality and justice subscales of the ODS and the job stress level whereas a weak positive correlation was found between accountability and job stress (Tokgöz and Önen, 2021). Furthermore, the same study showed no significant association between ODS/participation-criticism, ODS/transparency, and job stress.

ODS total score significantly affects work engagement ($\beta = 0.407$; $p = 0.001$). The ODS transparency subscale strongly predicted all subscale indicators of work engagement ($\beta = 0.746$ to 0.867). Participation-criticism ($\beta = -0.205$ to -0.343), justice ($\beta = -0.215$ to -0.402), and accountability ($\beta = -0.073$ to -0.075) subscales predict the indicators of work engagement negatively (Yildirim and Deniz, 2020). Although the three subscales of ODS (participation-criticism, justice, and accountability) negatively affected the subscales of work engagement, ODS total seemed to positively affect total work engagement. The source of this positive effect on the work engagement total is the very high positive effect of the transparency subscale of the ODS.

Appendix E and **Table 5** show the results of three studies with different scale structures. Since the 5-subscale and 28-item structure of the ODS changed in these studies, it seemed appropriate to present these results in a separate table. One of the three studies (Bilge et al., 2020) examined the relationship between OD and employee demographics. No significant relationship emerged between ODS total and subscale scores and gender and age ($p > 0.05$). Married employees had higher ODS participation-criticism subscale scores than singles did ($p = 0.020$). Secondary-school graduates had high ODS justice subscale scores ($p = 0.039$). There is a significant relationship between ODS equality subscale scores and working time ($p = 0.044$). The second study (Can and Dogan, 2020) examined the relationships between OD and ethical leadership

TABLE 5 | The correlations and regression of related factors with ODS total and subscales (studies with different scale structures).

Related factors		ODS total	ODS subscales				
			Participation-critism	Transparency	Justice	Equality	Accountability
		$r/\beta/R^2$	r/β	r/β	r/β	r/β	r/β
Bilge et al. (2020)		There is no correlation or regression values since the relationship with OD is not the variable examined					
Can and Dogan (2020)	**Ethical leadership**	0.871**					
Can and Dogan (2020)	**Psychological empowerment**	0.580**					
	Autonomy	0.462**					
	Impact	0.649**					
Senol and Aktaş (2017)	**Organizational silence**	$\beta = 0.181$ $p = 0.023$					

$^*p < 0.01$, $^{**}p < 0.001$.

and psychological empowerment. A significant correlation was found between ODS total and ethical leadership ($r = 0.871$). Significant correlations were present between the ODS total and the psychological empowerment total ($r = 0.580$), and its autonomy ($r = 0.462$) and impact subscales ($r = 0.649$). The last study (Senol and Aktaş, 2017) examined the relationship between OD and organizational silence. The regression analysis showed organizational democracy positively affecting organizational silence ($\beta = 0.181$, $p = 0.023$).

DISCUSSION

Aiming to examine the organizational democracy levels and related factors for public and private sector employees in Turkey, this focused systematic review investigated the results of 37 studies, with a total of 10,370 employees. The mean of the total ODS scores was found to be 3.30 ± 0.81 (**Table 1**) for the employees. Considering that the scoring of the scale used a 5-point Likert scale, the participants' ODS scores seem slightly above the "moderate" level and not at the desired level. A score of 4 or more on a concerning 5-point Likert scale indicates a relatively high influence of employees on organizational decision making which may promote their positive organizational attitudes and behaviors (Heller et al., 1998). In the majority of cases, and to varying degrees, OD showed positive correlations with outcomes representing positive organizational behaviors and negative correlations with outcomes assigned to negative organizational behaviors (**Appendix D** and **Table 4**). For this reason, taking initiatives to improve OD will benefit both employees and organizations. In this context, examining the factors affecting the establishment of OD in organizations can be a starting point.

As the research outcome shows, the ODS total scores of private-sector employees were higher than those of public-sector employees also in studies that included both (mixed) sectors (see **Appendix D**). That the OD level of employees in private-sector enterprises in Turkey is higher than those of public-sector employees, represents an expected and significant result that can be explained through the unsuitability of the public sector's bureaucratic structure for establishing OD. The bureaucratic structure was created to meet the needs of a society with a high need for uncertainty avoidance, where high power distance is considered normal (a feature of Turkish social structure mentioned before) (Hofstede, 2021). The institutions of a society with high power distance and high uncertainty avoidance scores must work with detailed rules and a hierarchical structure (Sargut, 2010), as rigid bureaucratic structures. Democratic practices will not easily settle in bureaucratic structures because the rules determine a bureaucratic organizational structure. A social transformation to an organization that can live with uncertainty can weaken bureaucratic structures and enable organic structures to emerge. The transformation of Turkish society into a society that adopts low power distance may also weaken the rigid bureaucratic structures. Ensuring such developments could enable public institutions in Turkey to become more democratic.

ODS participation-criticism subscale scores of the employees (mean = 3.18 ± 0.91) were at a moderate level. The level of participation-criticism of private-sector employees is higher than that of public-sector employees (**Table 2**). The higher level of participation-criticism of private-sector employees may be due to the enterprises' structural differences. The fact that the score of participation-criticism was at a moderate level can be attributable to the employees of the enterprises in Turkey being unable to participate in decisions sufficiently. They cannot criticize the policies and practices of their institutions, even when finding them incorrect, and the culture of criticism is not sufficiently developed. Insufficient participation of employees in decision-making processes may lead to depriving the organization of their suggestions. In this case, the organization will be managed only by the managers' capacity. That is, the organization will lack the employees' managerial contributions. Increasing the level of employee participation-criticism can lead to positive results for themselves and their organizations. Indeed, three respective studies included in this review (**Appendix D** and **Table 4**) found important positive correlations between the levels of employees' participation-criticism and job satisfaction (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018), organizational identification (Kesen, 2015a,b), employee performance (Kesen, 2015b), psychological capital (Geçkil et al., 2016; Geçkil and Koçyigit, 2017), perception of organizational support (Bakan et al., 2017), intrapreneurship tendency (Öge and Çiftçi, 2017), social capital (Aykanat and Yildiz, 2018), OCB (Tokay and Eyüpoglu, 2018; Çavuş and Biçer, 2021), political sensitivity (Karatepe, 2019), increase in organizational commitment (Naldöken and Limoncu, 2019), and quality of work-life (Geçkil and Şendoğdu, 2021).

Appendix D and **Table 4** further show negative correlations between the ODS participation-criticism level and organizational depression (Bakan and Gözükara, 2019), intention to quit the job (Kara, 2020), the organizational silence total score, and its acquiescent-silence subscale (Erkasap, 2020; Karadağ and Geçkil, 2020). However, mixed findings characterize the association between participation-criticism, defensive silence, and prosocial silence. While in one study no relationship emerged between participation-criticism and job stress (Tokgöz and Önen, 2021), in another study examining the relationships between quality of work-life and ODS (Geçkil and Şendoğdu, 2021), the stress at work subscale (of quality of work-life) and all ODS subscales were positively correlated to a considerable extent. It was expected that ODS would be negatively correlated with stress because organizational democracy includes several resources like job control and autonomy at work supposed to buffer stressing events at the workplace (Ashley et al., 2011). Some of the research results were contrary to this expectation. Organizational context factors (e.g., the economic situation of a company or features of the manufacturing technology) may play a role. Against the background of the unexpected result, new specific research on the unresolved relationship in democratic organizational settings is recommended. Participation-criticism correlation with work engagement was significantly negative (Yildirim and Deniz, 2020). This result, which contradicts the theory, suggests that this relationship should be re-examined through different samples, too.

The ODS transparency subscale scores of the employees (mean = 3.42 ± 0.86) seem slightly above the medium level, and the score of the private-sector employees is higher than the score of the public employees This finding suggests that the employees' scores for transparency regarding their organizations are reasonably good but open to improvement. Strengthening transparency will ensure that the employee is perceived as a shareholder/stakeholder in the decision processes of the organization (Geçkil and Tikici, 2015). Increasing transparency can positively affect the corporate culture, in terms of communication and openness. Thus, the concerned findings indicate positive correlations between the level of transparency and job satisfaction (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018), organizational identification (Kesen, 2015a,b), psychological capital (Geçkil et al., 2016; Geçkil and Koçyigit, 2017), perception of organizational support (Bakan et al., 2017), intrapreneurship (Öge and Çiftçi, 2017), social capital (Aykanat and Yildiz, 2018), predominantly with OCB (Tokay and Eyüpoglu, 2018; Barutçu, 2019), political sensitivity (Karatepe, 2019), increase in normative organizational commitment (Naldöken and Limoncu, 2019; Yalçinkaya, 2019), all subscales of work engagement (Yildirim and Deniz, 2020), and quality of work-life (Geçkil and Şendoğdu, 2021). Mixed results leave open the relationship between ODS transparency and affective commitment; no relationship to continuance commitment was identified. Associations with prosocial silence seem unclear and did not exist with defensive silence. Moreover, negative correlations with organizational depression (Bakan and Gözükara, 2019), acquiescent organizational silence (Erkasap, 2020; Karadağ and Geçkil, 2020), and the intention to quit the job (Kara, 2020) were evident. Again, a positive (Geçkil and Şendoğdu, 2021) or no relationship was found between transparency and job stress (Tokgöz and Önen, 2021).

The ODS justice subscales indicated the lowest level among all dimensions (mean = 3.17 ± 0.91). Justice scores of private-sector employees were higher than those of public workers, but the difference was not statically significant (**Table 2**). Additionally, the respected studies demonstrated positive correlations among the level of ODS justice with job satisfaction (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018), organizational identification (Kesen, 2015a,b), perception of organizational support (Bakan et al., 2017), organizational commitment (Naldöken and Limoncu, 2019), employee performance (Kesen, 2015b), social capital (Aykanat and Yildiz, 2018), OCB (Tokay and Eyüpoglu, 2018; Çavuş and Biçer, 2021), political sensitivity (Karatepe, 2019), and quality of work-life (Geçkil and Şendoğdu, 2021). On the other hand, we observed negative correlations between ODS justice and organizational depression (Bakan and Gözükara, 2019), work engagement (Yildirim and Deniz, 2020), intention to quit the job (Kara, 2020). Mixed results leave open the relationship between ODS justice and several forms of psychological capital (Geçkil et al., 2016; Geçkil and Koçyigit, 2017), organizational commitment (Naldöken and Limoncu, 2019; Yalçinkaya, 2019), organizational silence (Erkasap, 2020; Karadağ and Geçkil, 2020), and job stress (Geçkil and Şendoğdu, 2021; Tokgöz and Önen, 2021). Organizational justice is an important determinant of attitudes, decisions,

and behaviors (Gilliland and Chan, 2009, p. 167). The fact that the employees have a high level of justice perception regarding the organizations for which they work may produce important positive organizational and behavioral outcomes for both themselves and their organizations. Business managers should determine and implement policies that will increase their employees' perception of justice. The opinions of the employees about the fairness of their treatment affect their organizational commitment (Carmona et al., 2010, p. 210). Studies have found that justice correlates with job satisfaction, evaluation of superiors, trust in management, and turnover intentions (Gilliland and Chan, 2009, p. 172).

ODS equality subscales measurements demonstrated the highest values among all dimensions (mean = 3.47 ± 0.74) from the ODS subscales (**Table 1**). Equality scores of private-sector employees were higher than from public employees (**Table 2**). Since equality manifests in the form of rights that laws, statutes, and other general regulators at the institutional level provide, being the highest values to emerge in this dimension seems natural. Equality is equal treatment of those with equal conditions (Geçkil and Tikici, 2015). It is an egalitarian approach to evaluating all employees, regardless of religion, language, race, age, or gender, by considering the value they provide to the business (Bozkurt, 2012). Employees sensing egalitarian policies in their organizations can lead to an increase in positive organizational and behavioral outcomes and a decrease in negatively evaluated outcomes. Studies reveal positive correlations between the ODS equality subscale and job satisfaction (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018), organizational identification (Kesen, 2015a,b), political sensitivity (Karatepe, 2019), organizational support (Bakan et al., 2017), social capital (Aykanat and Yildiz, 2018), OCB (Tokay and Eyüpoglu, 2018; Barutçu, 2019), predominantly organizational commitment (Naldöken and Limoncu, 2019), and quality of work-life (Geçkil and Şendoğdu, 2021). However, mixed findings relate equality to psychological capital (Geçkil et al., 2016 versus Geçkil and Koçyigit, 2017) organizational silence (Erkasap, 2020; Karadağ and Geçkil, 2020), intrapreneurship (Öge and Çiftçi, 2017) and job stress (Geçkil and Şendoğdu, 2021; Tokgöz and Önen, 2021). Negative correlations appeared between employees' scores for equality, organizational depression (Bakan and Gözükara, 2019), intention to quit the job (Kara, 2020), and organizational dissent (Erkasap and Ülgen, 2020). The findings let assume that managers developing egalitarian policies and ensuring that employees notice such existing policies can contribute to the formation of several positive outputs for businesses whereas it seems still unclear how equality is related to silence behavior or stress at democratic workplaces.

Employees' level of accountability is slightly above the medium level (mean = 3.27 ± 0.95) (**Table 1**). The accountability scores of private-sector employees were higher than those of public employees (**Table 2**). The concerned studies included in this review suggest that as the level of accountability increases, positive organizational attitudes, behaviors, and competencies of employees increase—for example, job satisfaction (Kesen, 2015a; Geçkil et al., 2017; Çankaya, 2018), organizational identification (Kesen, 2015a,b), psychological capital (Geçkil et al., 2016;

Geçkil and Koçyigit, 2017), perception of organizational support (Bakan et al., 2017), intrapreneurship (Öge and Çiftçi, 2017), social capital (Aykanat and Yildiz, 2018), predominantly OCB (Geckil and Tikici, 2016; Tokay and Eyüpoglu, 2018; Barutçu, 2019; Çavuş and Biçer, 2021), political sensitivity (Karatepe, 2019), and quality of work-life (Geçkil and Şendoğdu, 2021). Mixed results leave open the relationship between ODS accountability and organizational commitment (Naldöken and Limoncu, 2019; Yalçinkaya, 2019), organizational silence (Erkasap, 2020; Karadağ and Geçkil, 2020) or work engagement (Yildirim and Deniz, 2020). Increase in accountability is associated with a decrease in one negative organizational and behavioral outcome, such as organizational depression (Bakan and Gözükara, 2019) but with an increase in the other negative outcome, namely job stress (Geçkil and Şendoğdu, 2021; Tokgöz and Önen, 2021). Because of the mostly positive effects, developing a culture of accountability and practices in organizations seems recommendable.

In their majority, the five studies that examined the relationship between ODS and OCB revealed moderate or strong correlations between these two variables (**Appendix D** and 5). OCB, positive extra-role behaviors that employees develop toward the organization, provides various positive contributions at individual, group, and organizational levels (Podsakoff and Mac Kenzie, 1997). OCB reduces the time that managers spend on conflict-management activities by strengthening the social structure of the organization, reducing conflicts and frictions, and maintaining peace (Organ, 1988; Podsakoff et al., 2000), improving performance by increasing organizational effectiveness (Podsakoff et al., 2000). Weak and negative relationships emerged between ODS subscales and the OCB altruism subscale (Geckil and Tikici, 2016). In the same study, the OCB sportsmanship dimension did not show significant relations with ODS and all subscales. In one study, negative relationships arose between the OCB courtesy subscale and ODS subscales (Çavuş and Biçer, 2021). Significant and positive relationships existed with two other OCB subscales (conscientiousness and civic virtue). Conscientiousness includes working hard, obeying rules and regulations, going beyond the minimum role definitions (Podsakoff et al., 2000), and protecting the resources of the organization (Organ, 1988). Civic virtue expresses interest in the organization as a whole. The findings of the reviewed studies confirm that in this dimension, the individual shows the strongest citizenship-oriented behavior between himself/herself and the organization (Organ, 1988; Podsakoff et al., 2000). These dimensions closely relate to the democratic organizational environment that OD creates. In particular, courtesy and civic virtue behaviors closely relate to the culture and socio-moral atmosphere of the organization. Thus, OD can play a key role in increasing OCB, providing important outputs for businesses.

Deep differences arose between the findings of the two studies (Geckil and Tikici, 2016; Çavuş and Biçer, 2021) examining the relationships between ODS and OCB subscales. The second of these studies did not explain the reason for its differences with the first study. The reason for the discrepancy between the findings

might have been sample, sector, and method differences. Both studies used similar methods (though the data-collection method is different. In the first study, data were collected through face-to-face interviews with a questionnaire. In the second study, the questionnaire form was sent to the participants). Sample characteristics show similarities. However, sample differences cannot be ignored. In the study by Geckil and Tikici (2016), 60.3% of the sample was female, and in that of Çavuş and Biçer (2021), ∼40.9% of the sample was female. Geckil and Tikici (2016) state that the decrease in the level of altruism due to the increase in women's OD level may relate to the nursing profession, which constituted a large part of the female sample, as well as it may relate to gender. They suggested that the fact that the nursing profession is primarily based upon assisting/caregiving to the needy could also explain the altruistic behaviors among nurses (Geçkil and Tikici, 133). However, the finding that emerged in the related study and needed explanation is the inverse correlation between altruistic behavior and ODS and its subscales. The democratic environment may lead to an increased expectation of altruistic behavior toward women, and in this case, women may have responded to this excessive expectation in the opposite direction. The main reason for the disparity between the two studies seemed to be the differences between the sectors. The samples consist of the public health sector (service sector) employees on the one hand (Geckil and Tikici, 2016) and, on the other, private-sector industrial enterprise employees (Çavuş and Biçer, 2021). There are clear organizational-structure differences between the two sectors, including long hours of night shifts for health-sector workers in Turkey and many patients for each staff member. Accordingly, health-sector workers, especially nurses, are asked to make sacrifices in a tiring working environment. The other sample encompasses white-collar workers in private-sector industrial enterprises, consisting of decision-makers and those who work in managerial positions in the institutions for which they work. Presumably, they will not be exposed to external influence for demonstrating altruistic behavior, but they will exhibit this behavior dependent on their inner motivation. Cultural differences, along with organizational-structure differences in both samples, lead to differences in courtesy behavior. In Turkish culture, high power distance is considered normal (Hofstede, 2021), and courtesy can appear as weakness (especially for managers). Since the second sample consisted of white-collar private-sector employees, a negative correlation might emerge between courtesy behaviors and OD.

Participation-criticism is a democratic competency, and its use will lead to an increase in the quality of the organization. In addition to these individual and organizational outputs, the increase in the level of employee participation-criticism can also provide social outputs through political democracy, by improving their most basic democratic competencies. Weber et al. (2020) reveal that individually perceived participation positively affects employees' job satisfaction and prosocial work behaviors. Due to all these positive outputs, we recommend increasing the level of employee participation-criticism of enterprises in Turkey. The low level of participation-criticism among both public- and private-sector employees may relate

to the social culture in Turkey. Carrying out studies to fully reveal the factors affecting the level of participation-criticism and determining how to improve it will be useful. Ways of encouraging participation-criticism and making it a part of business culture should be sought. Highlighting and rewarding those who openly express their ideas and suggestions as positive role models can be a method of improving participation and criticism.

In this systematic review, the relationship between ODS and organizational dissent covers five studies. Organizational dissent is any kind of protest and opposition behavior that occurs as a result of dissatisfaction with the practices within the organization, symbolizing a break from the organizational status quo (Kassing and Dicioccio, 2004). Displaced dissent behavior, the third of the three dimensions of organizational dissent, does not provide sufficient validation within the model (Kassing and Dicioccio, 2004). For this reason, studies were examined that concern the two other dimensions (upward dissent and lateral dissent). The absence of organizational dissent leads to the restriction of innovation power (Aytekin, 2019), a decrease in the learning abilities of organizations, a decrease in the diversity of perspectives, and a weakening of relations between the organization and the employee. Organizational identification, organizational citizenship, and job satisfaction are also positively associated with organizational dissent (Kassing et al., 2018).

All three concerned studies found a significantly positive relationship of low to high extent between organizational dissent total and ODS total (Bilyay et al., 2020; Erdal, 2020; Erkasap, 2020). In one of two concerned studies (Bilyay et al., 2020), the ODS total score and the upward dissent score showed a significantly positive and moderate correlation while, in the other study (Erkasap, 2020), Considered separately, ODS participation-criticism does not influence upward dissent, whereas two from threes studies (Erkasap, 2020; Erkasap and Ülgen, 2020; Pelenk, 2020) found a positive, significant, and moderate relationship between the transparency subscale of the ODS and the upward dissent subscale. In two from threes studies studies, a negative, significant, and moderate relationship existed between the ODS justice and accountability subscales and the upward dissent subscale (Erkasap, 2020; Erkasap and Ülgen, 2020 vs. Pelenk, 2020). The fact that employees do not feel the need to give negative feedback to their superiors in businesses where the perception of justice is high, and the culture of accountability is established, can explain this. Upward dissent means that employees share their discontent and stand against their superiors' policies. This type of opposition is desirable opposition for organizations; it is open dissent and contributes to the solution by revealing the problem or the perception of the problem. Arguably, managers can develop upward dissent with OD or with transparency practices, especially. However, not every manager will tolerate opposition and desire its emergence. For the inverse correlation of justice and accountability subscales with upward dissent, justice, and accountability eliminate the need for opposition. This result can imply that if the employee has a strong perception of justice and accountability, he or she does not need to oppose.

Lateral dissent is the opposition to the organizational decisions by members at the same level, which does not directly affect the organizational decision-making and implementation processes. Employees may resort to lateral dissent, fearing the consequences of punishment, rejection, and being ignored or put in a situation where they will feel ashamed if their opinions reach the managers (Zaini et al., 2016). In addition, the employee performs this behavior thinking that he/she is perceived as an enemy or competitor and believing that opposition cannot happen vertically (Özdemir, 2011; Erkasap, 2020). Lateral dissent is not a desirable type of opposition, and the factors leading to it must be reduced. Two of three relevant studies demonstrate that the ODS transparency and equality subscales affect lateral dissent negatively, significantly, and moderately (Erkasap, 2020; Erkasap and Ülgen, 2020; Pelenk, 2020). In other words, perceiving high transparency and equality may decrease lateral dissent among employees. Notwithstanding that, the ODS participation-criticism dimension has a positive, significant, and moderate-to-weak effect on lateral dissent subscale scores (Erkasap, 2020; Erkasap and Ülgen, 2020; Pelenk, 2020). The fact that participation-criticism leads to an increase in lateral dissent contradicts the theoretical knowledge. Participation in management and decisions will likely increase the culture of criticism in the organization and direct the employees toward upward dissent instead of lateral dissent. Contrary to the theoretical structure, this situation requires examination in future studies.

All three studies that examine the relationship between total scores or subscale scores of ODS and job satisfaction identified positive, significant, and moderate-to-strong relationships. These results clearly demonstrate that OD is an important tool for business managers who want to increase job satisfaction. High levels of job satisfaction cause positive effects, such as strong job performance (Spector et al., 2009, p. 39; Judge et al., 2001), organizational commitment, increased organizational citizenship behaviors, decreased absenteeism, and high-level life satisfaction, toward the work, the workplace, and the individual. On the other hand, low-level job satisfaction causes an increase in staff turnover rate, absenteeism, and intention to quit the job (Geçkil et al., 2017, p. 652).

Three studies (Geçkil et al., 2016; Geçkil and Koçyigit, 2017; Karagöz and Atilla, 2018) examined the relationship between total scores of ODS and psychological capital, which reflects the individual's positive psychological state. They found significantly positive correlations of weak-to-moderate size. In sum, the same is true for the relationship of ODS participation-criticism, ODS-transparency, and ODS accountability with different components of psychological capital, whereas the correlations with the ODS-justice and ODS-equality subscales show an unclear picture. Sample differences and structural differences in the organizations where the studies were conducted can explain the different results in these two studies. In the first study (Geçkil et al., 2016), the transparency and accountability dimensions of the ODS related to the individual's psychological capital level, while the justice and equality dimensions were completely unrelated. Participation-criticism shows mixed results. About 90% of the participants in this study worked in public organizations.

Employees in the public organization in Turkey continue to work, as long as they do not quit that job voluntarily, and their career paths are foreseeable and, compared to the hospitality industry, public organizations are stable. Certain legal regulations guarantee the rights related to business life (e.g., income, compensation, days off) in public institutions. The sample in this study consisted of physicians and nurses, and 80% of them were high-qualified employees who have undergraduate and graduate degrees. The sample of the second study (Geçkil and Koçyigit, 2017) consisted of employees in hospitality businesses, completely private-sector businesses. It consisted of less-educated and less-qualified employees than the sample of the first study. Regarding the sample of the second study, laws offer less protection for the working conditions and social rights of the employees. The effect of the law protecting the rights of state employees may have superimposed potential effects of the ODS justice and equality dimensions on the psychological-capital levels.

Taking these findings as a whole, psychological capital, with positivity at its center and affected by a positive socio-moral atmosphere, is an important value for organizations in achieving sustainable competitive advantage. This result is a guide for organizations and managers who want to improve their employees' psychological-capital levels.

Studies show that OD positively affects the socio-moral atmosphere, positive organizational behavior patterns of employees, and organizational commitment (Weber et al., 2008, 2009). In three studies examining the relations between the total scores of ODS and organizational commitment, positive correlations were found (Naldöken and Limoncu, 2019; Uysal, 2019; Yalçinkaya, 2019), but the two relevant studies that considered subscales of both concepts demonstrated mixed results. No relationship was found between the continuance commitment subscale and the ODS total score and its subscales. Continuance commitment refers to commitment based on the employee's recognition of the costs associated with leaving the organization (Allen and Meyer, 1996). The priority for employees high on this form of commitment is the extrinsically motivating cost of leaving which seem to be independent from the more intrinsically needs fulfilling possibility to work in a democratic organization. Thus, the findings are compatible with the theory. While positive relationships of weak-to-moderate size were found between affective commitment and ODS total and all ODS subscales in one study (Naldöken and Limoncu, 2019), in another study, affective commitment was only positively affected by the equality subscale (Yalçinkaya, 2019). Naldöken and Limoncu (2019) found positive and significant relationships between normative commitment and ODS and its subscales, while another study (Yalçinkaya, 2019) found negative and significant relationships between normative commitment and ODS participation-criticism. According to theory, OD will likely affect organizational commitment positively. Organizational commitment levels of employees vary according to personal, external, and organizational factors (Northcraft and Neale, 1990). OD directly relates to only one of these three elements (organizational factors), making significant changes in that field. These mixed results are partly inconsistent with theory

that assumes that affective and normative commitment are positively influenced by OD (see the meta-analysis by Weber et al., 2020). Examining the relations between organizational commitment and ODS with new studies in the context of Turkish organizations will be useful.

Employee voice is one of the dimensions of OD (Yazdani, 2010; Vopalecky and Durda, 2017; Han and Garg, 2018). Findings of two relevant studies show that as ODS total scores increase, organizational-silence total scores decrease (Erkasap, 2020; Karadağ and Geçkil, 2020). The significant relationships between organizational silence and OD are in line with the literature. Employees making their voices heard is important, in terms of both expressing themselves and conveying their knowledge, skills, and experiences to the organization's management. However, Senol and Aktaş (2017) found that the increase in employees' OD level leads to an increase in the level of organizational silence. According to OD theory, this unexpected result may relate to the small sample size and sample characteristics (94.3% blue collar in the textile industry). Further, regarding specific associations between ODS subscales and different forms of organizational silence, the two relevant studies in the systematic review demonstrate only mixed results. OD revealed the effect of reducing organizational silence in general. The decrease in organizational silence is closely related to the ability of employees to raise their voices. The latter is closely related to other factors such as their personality traits, job stress in the sector, leadership behaviors and workforce qualifications. Thus, examining the effect of OD on the forms of organizational silence requires more studies in that respect. Not all problems with organizational structure may go unnoticed by managers. Accordingly, the voice of the employees will support the managers in noticing the problems. The tendency of the findings is to assume a decrease in the level of silence, in parallel with the increase in democratic practices. This decrease may not be entirely due to OD. However, arguably, employees in a democratic structure will feel more comfortable expressing themselves. It means that employees can express what they think about their environment and report to their superiors what they consider to be wrong. In addition, a more humanist organizational structure requires raising the voice of employees (Pircher-Verdorfer et al., 2012).

Both studies examining the relationship between ODS and organizational identification found moderate correlations (Kesen, 2015a,b). Organizational identification, expressed as employees' feelings of being integrated into their organizations and seeing the success of their organization as their own success, positively affects individual performance (Carmeli et al., 2007). According to Kerr (2004), intra-organizational democratic practices can play an important role in increasing employee performance in service sectors, such as retail, where individualized and one-to-one customer relations are important. Placing OD in organizations makes it more likely that the level of organizational identification of employees, and therefore individual and organizational performance, can increase.

Though based on one study only (Pelenk, 2020), the focused systematic review has revealed relevant results between ODS

subscales and types of organizational culture. The participation-criticism, transparency, and justice subscales of ODS show a weak negative correlation with clan culture. According to Cameron and Quinn (1999, p. 36), typical characteristics of clan-culture organizations are teamwork, personnel investment programs, and the organization's commitment to personnel. In a clan-type culture, the community spirit toward a common purpose is very strong, and the organization is like an extended family. According to this theory, participation-criticism, transparency, and justice subscales of ODS will likely show a positive relationship with clan-type culture. However, in a clan-type culture, the organizational system can be a priority over the individual. This approach, which pushes the individual to the second row, can explain the negative relationship. Market culture, another organizational culture types, was positively associated with all subscales of ODS. Since the market culture focuses on suppliers and customers, the positive correlations are theory-conforming (employees may act as collective entrepreneurs). Some positive correlations between the hierarchical type of culture and participation-criticism, equality, and accountability subscales of ODS are surprising. Hierarchy culture represents mechanical and bureaucratic organizations, difficult to describe as compatible with OD theory. However, order and rules are important in hierarchical cultures, and it is clear who will do what and how (Cameron and Quinn, 1999, p. 33). Ensuring participation and accountability with certain rules can help us explain this relationship. On the other hand, equality refers to the regulation and procedures of the rights of the employees, depending on the rules within the organization.

In this systematic review, one study each examined the relationship of further variables with ODS. These studies demonstrate that ODS showed a positive relationship with variables that could have a positive effect on the organization and the employee, such as social capital (Aykanat and Yildiz, 2018), intrapreneurship tendency (Öge and Çiftçi, 2017), organizational justice, organizational support (Bakan et al., 2017), political sensitivity (Karatepe, 2019), quality of work-life (Geçkil and Şendoğdu, 2021), employee performance (Kesen, 2015b). Further, all subscales of ODS were related to organizational depression in one study (Bakan and Gözükara, 2019). While the justice and equality subscales of ODS affected job stress levels negatively, accountability affected them weakly positively (Tokgöz and Önen, 2021). The ODS total score and several ODS subscales and employees' intention to quit the job also showed negative correlations (Kara, 2020). Those variables that showed negative correlations with the total score and the subscales of the ODS could negatively impact employees and the organization. Because each of these variables was examined in only one study in Turkish organizations, the level of evidence for these emerging relationships is low; for this reason, a gap exists which suggests to explore these relationships and compare the findings with those in other country contexts.

Several studies in this systematic review found a relationship between age and OD which indicates that the higher OD perception of employees aged 40 and over may relate to seniority. The perceived higher OD level of seniors may be traceable to their heightened involvement in decision-making processes. In addition, the level of forgiveness increases with age. Increased tolerance levels may also be associated with higher OD perception. Considering the positive results of the psychological and behavioral variables discussed above for employees and organizations, it may be desirable that all employees experience a high-level perception of OD. Studies involving corresponding interventions (e.g., giving employees more information, including them in decision-making processes, creating an organizational climate in which they can raise their voices) can be conducted to increase the OD perceptions of other age groups.

In 6 of the 7 studies that found a significant relationship between OD and gender. The higher OD level of men may relate to their organizational roles (such as the fact that managers are mostly men). In the working world, women are less likely to be brought to management positions and generally work at the lower levels of the career ladder (Sampson and Moore, 2008; Babic and Hansez, 2021). The lower OD level of women may relate to this. In this review, only one study found that the OD level of female employees was higher than that of male employees. The sample of this study was academicians at state universities. Many regulations regarding working life in universities are guaranteed by law. The rate of female academics in Turkey is 38.2% (O'Neil et al., 2019), relatively high compared to other organizations. Different perceptions of the OD level of women and men in their institutions may also differ according to their individual expectations. These results suggest that women's expectations about OD in their organizations may be higher than men's. Future studies may focus on examining women's expectations about OD and ways to increase OD levels.

Strengths and Limitations

The strengths of this focused systematic review chiefly rest on the inclusion of a large number of studies ($N = 37$) conducted in Turkey, using the same measurement tool, a large number of participants ($N = 10,370$), and the fact that the studies cover various types of businesses in the private and public sectors. The studies included seem rich in terms of numerous variables examined in relation to ODS. The results of this review provide important data for researchers in the field of organizational participation and behavior research. On the other hand, the existence of so many variables and results limited the discussion of each finding in detail. Until now, very few meta-analyses and systematic reviews on organizational psychological outcomes of OD exist (see Weber et al., 2020). This situation also limited the comparison and discussion of research findings. This study used a systematic-review methodology, focusing on studies conducted in one country and with only one method of data-recording. A further limitation appears in the fact that findings for several outcomes are based on only one or two studies. Although systematic review methodology is employed, the limited scope of the present review study is incompatible with the comprehensive core concept of a systematic review. The articles included are observational or correlational studies with a cross-sectional single-source design. Moreover, some articles do not report scale scores. For example, in one study on OCB correlations were reported, but scale scores were not. Such cases,

in which the data are only partially available were not excluded, even though they were of low or moderate quality, to reach as comprehensive a dataset as possible. This can be considered a limitation, but to lessen this limitation, missing data were requested from the authors, but none were obtained (Benlioglu, 2021 at **Appendix C**).

Three studies report a change in the factor structure of the ODS as a result of the Explanatory Factor Analysis. These studies are analyzed separately from the others in **Appendix E** and **Table 5** (Senol and Aktaş, 2017; Bilge et al., 2020; Can and Dogan, 2020). Supporting the construct validity of the ODS scale, the scale structure changed in only three from 37 studies. This change may be due to the small number of participants or cultural differences in the studies. Apart from these, in two studies (Yildirim and Deniz, 2020; Çavuş and Biçer, 2021) that the present study included, the equality subscale of the ODS scale was removed, but the other subscales were left as they were, and ODS scale was used. In these two studies, the researchers state that the reverse items (21 and 23) in this subscale distorted the equality subscale. One of the reasons for the different scale structures may be that these two items.

CONCLUSIONS

This focused systematic review concludes that the OD perceptions of Turkey's public- and private-sector employees are slightly above the scale mean score. The results of this study show that private-sector employees have a higher democratic level. Despite this, the OD perception of both private and public employees is below the assumed "good" level and should be improved. To varying degrees, positive relationships prevail between OD and several outcomes (e.g., job satisfaction, organizational commitment, OCB, psychological capital) that can positively affect the individual, the organization, and the public—that is, OD may strengthen these outcomes. On the other hand, the results suggest negative associations between some phenomena that may cause negative effects on the individual, the organization, and the society (e.g., job stress, organizational depression, and intention to quit) and the perception of OD. The level of OD was higher among men and participants over the age of 40. Overall, these results let us recommend that managers should include democratic practices (e.g., increase participation in decision-making, anchor a culture of criticism, transparency) in their organizations to increase the OD perception of employees.

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

AUTHOR CONTRIBUTIONS

The author confirms being the sole contributor of this work and has approved it for publication.

SUPPLEMENTARY MATERIAL

The Supplementary Material for this article can be found online at: https://www.frontiersin.org/articles/10.3389/fpsyg.2022.767469/full#supplementary-material

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Organizational democracy and meaningful work: The mediating role of employees corporate social responsibility perceptions

Mari Svendsen[1]*and Thomas Faurholt Jønsson[2]

[1]Department of Leadership and Organization, Kristiania University College, Oslo, Norway,
[2]Department of Psychology and Behavioural Sciences, School of Business and Social Sciences,
Aarhus University, Aarhus, Denmark

Meaningful work is an important field of research, relating to both organizational outcomes and employee welfare. Organizational democracy has been theoretically proposed as an important antecedent to meaningful work. Nevertheless, this relationship is yet to be empirically explored. Thus, the objective of the current research is to explore the relationship between organizational democracy and meaningful work. We used structural equation modeling with self-reported, cross-sectional data from different nations and industries to test a mediation model in which corporate social responsibility (CSR) perceptions mediate the positive relationship between organizational democracy and meaningful work. Our findings confirmed that CSR perceptions partially mediate in the relationship between organizational democracy and meaningful work. Thus, based on our findings we can conclude that organizational democracy can play a direct role in increasing the experience of meaningful work, but also an indirect role trough the employees experience of CSR. Our findings have theoretical implications by adding to the classical theoretical literature that connect organizational democracy and meaningful work, and by disentangling the role of CSR perceptions in this relationship. Moreover, our findings have practical implications as our results give important knowledge to managers and organizational stakeholders that wish to increase the experience of meaningful work in organizations.

KEYWORDS

organizational democracy, participation in decision making, corporate social responsibility, meaning at work, meaningfulness at work, alienation

Introduction

"Striving for meaningful work is not just about obtaining certain outcomes, but being able to experience meaningfulness in one's work activities is "an important humanistic endeavor in and of itself" (Lepisto and Pratt, 2017, p. 100), *and "part of what makes life good for human beings"* (Yeoman, 2014).

As the above quotations describe, the importance of meaningful work has historically been recognized as crucial for human thriving and growth, whereas a lack of meaning and alienation from work has been described as toxic for human welfare (Marx, 1959; Shantz et al., 2014). For example, the experience of meaningful work is positively related to work motivation, work engagement, life meaning, and general health, and negatively related to negative affect, mortality, and withdrawal intentions (Allan et al., 2019). Meaningful work can be defined as the global judgment that one's work accomplishes significant, valuable, or worthwhile goals that are congruent work with one's existential values (Allan et al., 2019, p. 502). Due to the importance of meaningful for individual welfare and organizational effectiveness, the question of how to create meaningful workplaces is a pertinent one. Accordingly, the main motivation of this study is to obtain a better theoretical and practical understanding of factors that may increase employees experience of meaningful work. Marx (1959) described a rigid division of labor and the ensuing lack of control in the workplace, along with the inability to develop and use one's skills and knowledge, as an important source of alienation and meaninglessness in the workplace. In extension of this argument, democratization in the workplace has been proposed as an important factor that may reduce the alienating consequences of nonautonomous work and some authors have theoretically argued that workplace democracy is a necessary requirement for meaningful work (Yeoman, 2014; Frega et al., 2019). Organizational democracy refers to ongoing, broad-based, and institutionalized employee participation that is not *ad hoc* or occasional in nature (Weber et al., 2020, p. 1009). Although organizational democracy has, both historically and theoretically, long been suggested as an important antecedent of meaningful work, there has not, to the best of our knowledge, been any *empirical investigation* of this relationship. There are some indirect empirical evidence suggesting that factors closely related to organizational democracy, such as autonomy and power sharing may be positively related to meaningful work (Jin and Drozdenko, 2010; Martela et al. 2021). However, the direct relationship between organizational democracy and meaningful work has yet to be investigated and constitutes a profound research gap. This research gap is important to cover, in order to disentangle the potential that organizational democracy may have for the experience of meaning in the workplace. Moreover, as highlighted by Rosso et al. (2010), there is also a research gap, pertaining to the exploration of how different sources of meaningful work stimulate the experience of meaningfulness in the workplace simultaneously. Therefore, it is imperative to explore the mediating factors that may affect this relationship. Accordingly, the objective and the novelty of this article is to explore the relationship between organizational democracy and meaningful work and explore a mediating factor in this relationship.

In order to accomplish this goal, we develop a mediation model in which we propose that organizational democracy will be positively related to meaningfulness in the workplace. Moreover, we propose that the employees' CSR perception,

defined as *the degree to which employees perceive a company supports the activities related to a social cause* (Lee et al., 2013), will mediate the relationship between organizational democracy and meaningful work. CSR perception may be especially relevant when investigating the relationship between organizational democracy and meaningful work. Meaningful work is strongly connected to the individual's values and the feeling that one's work is in accordance with these values. Moreover, recent conceptualizations of meaningful work highlight greater good motivation as a central part of the meaningful work concept (Lee et al., 2013). Previous research has established the relationship between CSR perceptions and meaningful work (Raub and Blunschi, 2014), but the relationship with organizational democracy is yet to be explored. We designed the study as a cross sectional survey with temporal separation (2 weeks) of independent and dependent variables.

The exploration of the mediation model outlined in the present study will make three specific, novel and significant contributions to our understanding of both organizational democracy and meaningful work. First, we extend previous research on meaningful work by investigating how organizational democracy is directly related to perceived meaningful work. By doing so, we meet the call for a more thorough understanding of how the organizational context contributes to the perception of meaningful work (Lysova et al., 2019) and gain insights into a relationship that has historically been proposed as important but lacking direct empirical support. Second, we contribute to the understanding of organizational democracy by investigating how organizational democracy may lead to certain individual-level outcomes, responding to the call for research expressed by Weber et al. (2020). In their meta - analysis they find that organizational democracy is related to individual – level outcomes such as job satisfaction, work motivation and value-based commitment. Therefore, they conclude that organizational democracy may be especially suited to produce individual – level outcomes and call for research that consider other relevant individual – level outcomes. Our study will respond to this call for research and contribute to the understanding of the outcomes of having a organizational democratic work context. Third, our study contributes to the understanding of the mechanisms of which organizational democracy exerts its individual level influence in general. Weber et al. (2020) propose that organizational democracy may have a socializing effect on their employees. In accordance with that, we propose that the employees experience of CSR will be stimulated through a democratic work context. However, the relationship between organizational democracy and CSR perceptions is yet to be explored empirically. Thus, our study will also play a role in our conceptual understanding and development of organizational democracy.

The structure of the next sections of the paper is as follows. First, we will give a brief review of the empirical and theoretical literature that connects organizational democracy and meaningful work, and the relationship between organizational democracy and CSR and the relationship between CSR and meaningful work.

Second, we will describe the methodology in detail. Third, the main findings of the study are discussed. Lastly, the implications for practice further research and conclusions will be presented.

Theory and hypothesis

Meaningful work

The following section will present literature on meaningful work. First, we define meaningfulness in a way that also corresponds with our measurement of the concept. Second, we review literature on the concept that is relevant in to understand the relationship between meaningful work and organizational democracy and CSR. Meaningfulness at work has been defined in various ways, with different streams of literature focusing on varying aspects of the concept (Martela and Pessi, 2018). A recent review by Martela and Pessi (2018) argued that meaningful work can be distinguished into three different categories: *significance, broader purpose,* and *self-actualization.* *Significance* refers to the amount of intrinsic value people assign to or are able to find from their work. *Broader purpose* refers to the idea that the work must contribute to some "greater good," something beyond individual's own benefits. Lastly, *self-actualization* refers to self-connectedness, authenticity, and how much we are able to realize and express ourselves through our work (Martela and Pessi, 2018, p. 3). In the literature on meaningful work there is a difference between *meaning* and *meaningfulness* (Rosso et al., 2010). The perception of meaning refers to employee's cognitive evaluation of their environment, and can therefore be positive, neutral, or negative. The concept of meaningfulness, on the other hand, is inherently positive and refers to the experience of work as personally significant and worthwhile (Pratt and Ashforth, 2003). Another important distinction in the literature on meaningful work is that between *meaningfulness in the job*, which refers to the experience of meaningfulness in executing the work roles and *meaningfulness at the job*, which refers to the experience of being part of a social category. Accordingly, meaningfulness is a complex and multifaceted construct and is not a fixed property of a job or organization. However, Pratt and Ashforth (2003) argued that there are some socially constructed archetypes within a society or social group that the individual belongs to. Moreover, they argued that the process of which the work is experienced as meaningful shares similarities across organizations and cultures. A main argument from Ashford and Pratt (2003) is that because meaningfulness at work is partially socially constructed, and because the process of experiencing meaning share similarities between organizations and societies, organizations can play a key role in influencing whether and how organizational members view their work as meaningful. Ashford and Pratt (2003) argued that there are several different ways in which organizations can influence the experience of meaningfulness in the organizations, such as through leadership processes, the creation of psychological safety, and, importantly, through employee involvement practices.

Organizational democracy and meaningful work

A concept strongly related to employee involvement practices is organizational democracy. In this section we first define the concept of organizational democracy in line with the measurement of the construct. Second, we will review both classical theoretical literature and recent empirical work to argue for the relationship between organizational democracy and meaningful work. Organizational democracy describes organizations wherein participative decision making is mandatory and realized either directly or indirectly (Pircher Verdorfer and Weber, 2016). Importantly, decision making in democratic organizations is not limited to the short-term decisions on an operational level, but also entails influence on long-term decisions at the strategic level (Pircher Verdorfer and Weber, 2016, p.61). According to the recent meta-analysis by Weber et al. (2020), indicators of organizational democracy can be conceptualized and measured in three ways. Firstly, through structurally anchored employee participation in organizational decisions. This indicator of organizational democracy focuses on the organizational level and is concerned with *democratic enterprise structures* such as self-governed employee-owned enterprises. The second way is through employee participation in collective ownership. This indicator focuses on *property* and is concerned with the degree to which employees own a substantial part of the shares in the enterprise. The third way is individually perceived employee participation in organizational decision making. The final indicator of organizational democracy focuses on the individual level in the organization and the extent to which the *employees perceive* that they have direct or indirect participation in strategic or tactical decision making.

Although, to the best of our knowledge, no empirical studies have investigated the relationship between organizational democracy and meaningful work, the relationship has been given theoretical attention. For example, Arneson (1987) argued that the experience of meaningful work is *"attached to a job that gives the worker considerable freedom to decide how the work is to be done and a democratic say over the character of the work process and the policies pursued by the employing enterprise"* (p. 522). In line with this, Yeoman (2014) argued that organizational democracy may be viewed as the institutional conditions that are required to achieve autonomy, which in turn are found to be imperative to the experience of meaningful work.

We argue that organizational democracy, as perceived by the employees, may directly strengthen the experience of meaning in two specific ways. First, we follow the classical work on alienation by Seeman (1959), who outline meaningfulness as one of the elements of alienation. In his analysis, meaningfulness is based on the perception of the world as comprehendible enough to form

realistic expectations about how to control it. Since organizational democracy provides some control over the organization to its organizational members, participating employees may likely obtain a deeper and clearer understanding of how the organization is and why organizational decisions became as they did (Heller et al., 1998). This deeper, processual understanding of the organization may provide a meaningfulness organizational context to the employee.

Second, the experience of organizational democracy may stimulate the basic needs that are proposed by self-determination theory (the need for autonomy, the need for relatedness, and the need for competence; Deci et al., 2017), which are found to be associated with the experience of meaningful work (Martela et al. 2021). Martela et al. (2021) argued that the experience of ownership and autonomy at work makes work feel personally meaningful for the employee. Moreover, organizational democracy may stimulate the need for competence through mastery experiences and information sharing generated by employee involvement in strategic and tactical decisions (Weber et al., 2020). Lastly, the need for relatedness may be stimulated through cooperative decisions and collective identities stemming from organizational democracy. In a longitudinal investigation Martela et al. (2021) confirmed the relationship between the self-determination framework and the experience of meaningfulness at work, specifically underlining the strong positive relationship between autonomy and meaningful work (Martela et al. 2021). Thus, we posit the following hypothesis.

> *Hypothesis 1:* Organizational Democracy, as perceived by the employees, are positively related to the experience of meaningful work.

The effect of organizational democracy on employees perception of CSR

In this section we will briefly present the concept of CSR. We focus on the employee's perception of CSR practices in the organization. CSR activities have been defined in different ways in the literature. Some researchers have focused on the organization's behavior toward its stakeholders, whereas others have focused on the organization's voluntary activities relating to social, political, environmental, and ethical actions (Malik, 2015). We adopt the societal perspective and follow Lee et al.'s (2013) definition of CSR as *"the company's activities and status related to its perceived societal or stakeholder obligations"* (p. 1717). In line with this definition, the organization focuses on both the good of society and the welfare of the organization and its members. We follow Lee et al.'s (2013) definition and understand *CSR perceptions* as *"the degree to which employees perceive a company supports the activities related to a social cause" (p. 1717).* Moreover, we understand and treat employee CSR perceptions as a second order construct and choose to focus on the two sub-dimensions; philanthropic and ethical CSR activities (Lee et al., 2013).

Although environmental perspectives are a vital part of the CSR understanding (c.f Lăzăroiu et al., 2020). We have explicitly chosen not to focus on this, as previous classical literature relating to organizational meaning keeps more focus on philanthropy and ethics.

Organizational Democracy and CSR are two distinct but interrelated concepts. Banerjee (2014) argued that democratic organizations are necessary for proper CSR in organizations. In line with this, Hazarika (2013) argued that *"in order to make the workforce more participatory, the firm has to uphold the principles of democracy in workplace practices and this will be a sheer move towards democratic social responsibility" (p. 12).* We argue that organizational democracy, which is ingrained in values signaling equality and participation, may induce positive organizational CSR perceptions by making the employees consider these values while analyzing the CSR practices of the organization. To the best of our knowledge, no empirical studies have investigated the relationship between organizational democracy and CSR perception. However, a quantitative study by Jin and Drozdenko (2009) found that CSR in general is strengthened by power sharing, open information sharing, and democratic ideology in the organizations. Accordingly, we propose the following hypothesis:

> *Hypothesis 2:* Organizational democracy, as perceived by the employees, is positively related to the employees' CSR perceptions.

The effect of CSR perceptions on the employee's experience of meaningful work

We further argue that CSR perceptions relate positively to the experience of meaningfulness at work. Rosso et al. (2010) argued that employees experience meaningfulness when they work for organizations that are engaging in socially responsible activities and see themselves contributing to a greater cause. Perceiving that the organization has high CSR may indirectly give employees the feeling that they are contributing to the economic, ecological, or social environment around them. Moreover, based on social identity theory, we know that individuals seek to identify with groups that contribute positively to their sense of self-worth (Tajfel, 1979). Having a strong perception of the organizations CSR activities will contribute to the experience that the organization has values that are useful and worth identifying with, and through that the employees experience a sense of belonging and meaningful co-existence. Recent studies support the positive relationship between CSR and the experience of meaningfulness at work (Chaudhary, 2020; Youn and Kim, 2022). Accordingly, we posit the following hypothesis;

> *Hypothesis 3:* Employee's perception of CSR is positively related to the experience of meaningful work.
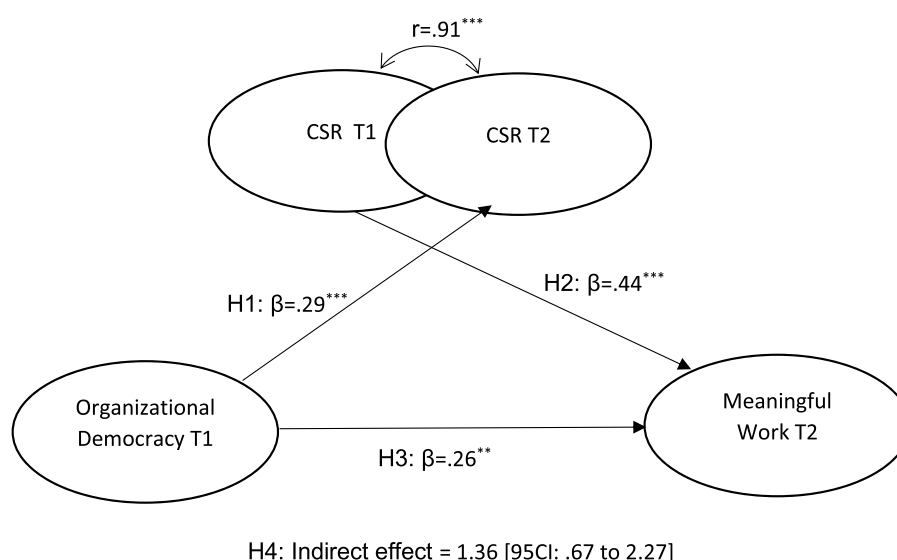
FIGURE 1
Hypothesized Model and results T1 and T2: Data collection time 1 and 2. The regression coefficient β and Pearson's r are standardized. The indirect effect (H4) is the unstandardized product of the a (X→M) and b (M→Y) paths; bootstrapped and bias corrected 95% confidence intervals.

The mediating role of CSR perceptions

Organizational democracy may influence the experience of meaningful work directly through the creation of especially greater autonomy and by reducing the potentially alienating consequences of work. Nevertheless, favorable CSR perception may be conceived as an innovative mechanism that transmits the influence of on organizational democracy on meaningfulness at work. Accordingly, organizational democracy can be anticipated to affect meaningfulness both directly as well as indirectly *via* CSR perceptions. Thus, we propose the following hypothesis:

> *Hypothesis 4:* Employees' perceptions of CSR partially mediate the relationship between organizational democracy and the experience of meaningful work.

The proposed hypotheses are shown in an overall model (Figure 1).

Materials and methods

Sample and procedure

The survey was obtained *via* Prolific, which is a company with extensive experience in providing data to research institutions. Previous research has shown that similar data collection methods provide better external and internal validity than traditional data

collection methods (Berinsky et al., 2012). In our sample, every participant came from different organizations, so our sample did not violate the independence assumption that may result in spuriousness due to data clustering (Raudenbush and Bryk, 2002). Mean age was 31.1 (SD = 10.8). Six respondents had Elementary School level, 62 graduated from High School. 26 had finished undergraduate studies, 62 had a Bachelor's Degree and 54 had a Master or higher level of education.

We designed the study as a cross sectional survey with temporal separation (2 weeks) of independent and dependent variables (Podsakoff et al., 2012). The reason was to deal with potential inflation of relationship estimates due to cross sectional data collection at the same time, we collected the data two times with a few weeks between the two data collections. We applied the data from T1 to measure the independent variable and the data from T2 to measure the dependent variable. We used the mediator measures from both times with the purpose to deal with common method bias (see Figure 1). Specifically, we analyze the hypothesized relationships between variables from different data collection times, i.e., relationships between the mediator and both the independent variable and the dependent variable. We tested a structural equation model (SEM), in which the independent variable (measured at T1) was related with the mediator from T2, and the mediator from T1 was related with the dependent variable (from T2). In this way, the variables of any relationship were measured at different time points. Hence, we avoid method inflation of the regression estimates due to measurement at the same time point (i.e., mood effects and other effects of situational

mental states). Since we applied measurements the mediator from two time points, we restricted the factor loadings to be the same for both measurements of the mediator variable ("metric invariance"). Thereby, we ensured that the two measures of the mediator were fully comparable, and that different ways of measuring the mediator at T1 and T2, respectively, contaminated the regression coefficients. Since the same items from the CRS variables measured at T1 and T2 would potentially hold a similar item specific measurement error, we allowed the same items to correlate in the model.

We tested measurement validity using Confirmatory Factor Analyses (CFA). If a Modification Index (MI) analysis showed a substantial improvement of model fit (MI > 10.00) by allowing items within a factor to correlate or a theoretical meaningful cross-loading of an item on to two sub-factors, we allowed this in a subsequent model. To assess reliabilities of the scales, we applied the composite reliability, which is comparable to but more precise than Cronbach's Alpha because the former does not assume that all loadings in a factor are of equal size (Raykov, 1997). Finally, we included control variables to test for possible confounding variables. We included age, education (binary coded dummy variables), and gender to control for the possibility that age, educational level or gender *per se* would provide the employee with more influence in an organization, gives a stronger perception of CSR and make the job feel more meaningful. We applied the statistical software Mplus v. 8.2 (Muthén and Muthén, 2017) for structural equation modeling (SEM) using maximum likelihood (ML) estimation. ML estimation assumes multivariate normal distribution though it is even consistent in violations of normality. Therefore, it is useful for the present study that have a suitable large sample size and assumed normality of the variables. We used the most applied fit indices and cutoff criteria, namely RMSEA (<0.08) and CFI (>0.95; Hu and Bentler, 1999; Schermelleh-Engel et al., 2003).

Measures

All the applied scales in this study had been previously published and validated. All continuous measures were assessed on a five-point Likert scale, with responses ranging from 1 (strongly disagree) to 5 (strongly agree).

Organizational democracy

We measured Organizational Democracy using the 24 item Short Version of the Perceived Structure of Organizational Democracy Questionnaire (Weber and Unterrainer, 2012; POPD-S). The scale consists of three subdimensions measuring influence on issues at the operational level (employees' daily work or working time), the tactical level (e.g., employment policies or innovation of work processes), and the strategic level (financial decisions, strategic planning, election of leaders and new shareholders). A CFA confirmed the three dimensional scale structure ($\chi^2(54) = 122.98$, RMSEA = 0.076, CFI = 0.965). We also

estimated the Composite Reliability (CR), to be.96, which is well beyond the.70 rule of thumb for acceptable reliability.

Corporate social responsibility perceptions

CSR perceptions included Philantropic CSR Activities and Ethical CSR Activities and we measured this construct using 11 items from the scale by Lee et al. (2013). Moreover, we found that two items (no. 7 and 8) loaded on the first subfactor rather than the second as originally suggested by Lee et al. (2013). Therefore we moved these two items to the former subscale.

An example item is "Our company has a strong sense of corporate social responsibility." A series of CFAs showed that residual variance between item 1 and item 2 as well as item6 and item 7 correlated, which we accepted. The process ended with acceptable fit indices ($\chi^2(41) = 95.67$, RMSEA = 0.080, CFI = 0.954). Reliability was also good (CR = 0.92). At T2, we obtained a satisfactory fit for the same model and the same item error correlations ($\chi^2(41) = 72.97$, RMSEA = 0.061, CFI = 0.968), and CR = 0.91. The scales correlated very highly ($r = 0.91$), and this result supports that there is a high degree of test–retest reliability of the scale.

Meaningful work

Meaningful work was measured using a 10-item scale developed by Steger et al. (2012). The scale consists of three subscales measuring positive meaning, meaning making trough work and greater good motivation. An example item is "I understand how my work contributes to my life's meaning. Modification Index (MI) analyses revealed that the item "I view my work as contributing to my personal growth" cross-loaded on the Positive Meaning sub-factor. A SEM analysis showed acceptable fit indices of a model with the cross-loading item ($\chi^2(31) = 74.37$, RMSEA = 0.082, CFI = 0.966). In addition, the analysis showed that the reliability was good (CR = 0.93).

Results

Table 1 reports the descriptive statistics and correlations among the variables and Average Variance Extracted. The two latter estimates were based on a Measurement Model, which demonstrated satisfactory fit: $\chi^2(883) = 1413.93$, RMSEA = 0.053, CFI = 0.91. We computed the AVEs for the hierarchical constructs as the means of the completely standardized squared loadings of the first order dimensions (following MacKenzie et al., 2011). The results show that the AVEs are higher than all intercorrelations (Fornell and Larcker, 1981), with the exception from CSR perceptions at the two time points. The latter should not differ because it is the same construct. All in all, the results support the expected discriminant validity of the different variables (Table 2).

We tested the full hypothetized model in a Structural Equation Model that showed satisfactory fit indices ($\chi^2(883) = 1414.07$, RMSEA = 0.053, CFI = 0.91). The results support the hypotheses (see Figure 1). First, the results confirms that the more

TABLE 1 Descriptive statistics: mean, SD, Pearson's correlations, reliabilities.

	Mean	SD	1	2	3	4	AVE
1. Organizational Democracy	2.77	0.89	(0.96)				0.65
2. CSR Perceptions T1	2.99	0.91	0.35***	(0.92)			0.70
3. CSR Perceptions T2	2.97	0.87	0.29***	0.91***	(0.91)		0.78
4. Meaningful work	3.46	0.78	0.41***	0.53***	0.60***	(0.93)	0.73

All variables' answer scales range from 1 to 5. Means and SDs calculated from scale means of manifest item values in SPSS v. 28. Pearson's Correlations between latent variables and Average Variance Extracted (AVE) was computed on basis of the Measurement Model. Composite Reliability across the diagonals in parentheses. ***$p < 0.001$.

organizational democracy that an employee experice, the more meaningful is work perceived to be (support for Hypothesis 1). Second, the higher the organizational democracy, the higher CSR perceptions (Hypothesis 2), and, in turn the more meaningfulness at work does a person experience (Hypothesis 3). Finally, the indirect effect (unstandardized) was estimated to be 0.46 and the biascorrected bootstrap 95% confidence intervals ranged from 0.17 to 1.1. The full effect was 1.36 [CI from 0.67 to 2.27]. These results confirm Hypothesis 4 about a partial mediation effect, i.e., that the relationship between Organizational Democracy and Meaningful work can in part be explained by CSR perceptions as an intermediate variable. The SEM model with controls showed that none of the control variables were significantly related with the other variables, the hypothesized relationships did not change substantially and were not insignificant in the model with control variables. Therefore, the results could not be due to third variable confounding effects of age, gender or education.

Discussion

The aim of this study was to test a mediation model to explore the direct effect of organizational democracy on meaningful work and to disentangle the mediating effect of the employees' CSR perceptions. The results indicated that organizational democracy has a significant direct effect on meaningful work, in line with Hypothesis 1. Regarding Hypothesis 2, our results showed that organizational democracy was related to CSR perceptions, so Hypothesis 2 was supported. Moreover, Hypothesis 3 was confirmed as CSR perceptions significantly predicted the experience of meaningful work. Lastly, our results showed that CSR perception partly mediated the relationship between organizational democracy and meaningful work, supporting Hypothesis 4.

Theoretical contribution

This study offers three key contributions to both theory and research on organizational democracy, CSR, and meaningful work. First, we believe that our study is the first to directly examine the relationship between organizational democracy and meaningful work. Thus, the study aligns with and lends empirical support to a relationship that has historically been given

theoretical attention, but lacks empirical exploration (Arneson, 1987; Yeoman, 2014). Our study is in alignment and extends the longitudinal study by Martela et al. (2021), who find that the experience of autonomy was positively related to the experience of meaningful work. Organizational democracy may be one such important source of autonomy and may thus be considered an important contextual source of autonomy. Our study extends the work by Martela et al. (2021) further, by investigating how contextually experienced autonomy trough organizational democracy may affect the experience of meaningfulness in organizations. The present study also highlights the relative importance of organizational democracy in general, illustrating how organizational democracy may be important for stimulating individual-level effects. This is in accordance with the meta-analysis by Weber et al. (2020), who found that organizational democracy significantly predicts beneficial individual level outcomes. Our study adds to this finding and demonstrates how the perception of meaningful work may be another positive and notable individual-level effect of organizational democracy.

Second, our study underscores the importance of organizational democracy in shaping the employees' view of the organization. Previous research has found that CSR perceptions are related to meaningful work (Chaudhary, 2020; Youn and Kim, 2022). Our study aligns well with those findings by demonstrating a positive link between CSR perceptions and the experience of meaningfulness. However, we also extend these findings as the present study is the first to investigate and find a positive relationship between organizational democracy and CSR perceptions. This finding aligns and extends the findings of Jin and Drozdenko (2010) who find that power sharing, information sharing, and democratic ideology is related to CSR in organizations. Our results complement this finding by showing that organizational democracy, which entails power sharing, knowledge sharing, and democratic ideology is indeed related to CSR in organizations. However, our findings also extend these results by showing that democratic organizational contexts also work at an individual level by increasing the employees perception of philanthropic and ethical CSR activities. Moreover, to the best of our knowledge, our study is the first to apply CSR as a mediating mechanism in the relationship between organizational democracy and meaningful work. This finding aligns well with the argument made by Unterrainer et al. (2011) that organizational democracy has a socializing effect on the employees, and that organizational democracy may contribute to a more favorable global view of the

TABLE 2 Items, subscales and standardized loadings.

Organizational democracy (Weber and Unterrainer, 2012)

How much influence do you experience on	Standardized loadings	
Subscale: Operational area		
1. How the daily work is organized	0.94	
2. How the daily work tasks are organized	0.90	
3. How working time is organized and scheduled	0.70	
Subscale: Tactical area		
4. The employment policies of the organization	0.76	
5. Purchasing of new resources and equipment (e.g., machinery and tools, information technology/media)	0.63	
6. How health and safety are managed	0.72	
7. Process innovations (e.g., extensive improvements of technology, work organization)	0.73	
Subscale: Strategic area		
8. Appointment of a new head of department/division or of your direct superior,	0.84	
9. The financial decision-making by the organization (e.g., concerning the budget of the firm, major capital investments or applying for credit)	0.85	
10. Plans and strategies for the development of the organization (e.g., corporate constitution and governance, mission statement, restructuring of the company)	0.86	
11. Election of the chief executive or members of the executive board or supervisory board	0.89	
12. Admission of new shareholders, stockholders, or equity stakeholders	0.86	
Organizational democracy full scale		
Operational subscale	0.40	
Tactical subscale	0.98	
Strategic subscale	0.90	
Meaningful work (Steger et al., 2012)		
Subscale: Positive meaning		
1. I have found a meaningful career	0.78	
2. I understand how my work contributes to my life's meaning	0.87	
3. I have a good sense of what makes my job meaningful	0.84	
4. I have discovered work that has a satisfying purpose	0.81	
5. I view my work as contributing to my personal growth	0.41	
Subscale: Meaning making through work		
5. I view my work as contributing to my personal growth	0.45	
6. My work helps me better understand myself	0.82	
7. My work helps me make sense of the world around me	0.82	
Subscale: Greater good motivations		
8. My work really makes no difference to the world. (R)	0.91	
9. I know my work makes a positive difference in the world	−0.51	
10. The work I do serves a greater purpose	0.81	
Meaningful work full scale		
Subscale: Meaning making through work	0.83	
Subscale: Positive meaning	0.85	
Subscale: Greater good motivations	0.88	
CSR Perceptions (Lee et al., 2017)		
Subscale: Philanthropic CSR activities	Time 1	Time 2
Our company helps solve social problems	0.76	0.71
Our company has a strong sense of corporate social responsibility	0.76	0.72
Our company gives adequate contributions to local communities	0.76	0.71
Our company allocates some of their resources to philanthropic activities	0.65	0.61
Our company plays a role in society that goes beyond the mere generation of profits	0.72	0.72
Our company encourages its employees to participate in voluntarily activities	0.71	0.70
Our company emphasizes the importance of its social responsibilities to its employees	0.84	0.82
Our company organizes ethics training programs for its employees	0.71	0.69
Subscale: Ethical CSR activity		
Our employees are required to provide full and accurate information to all customers	0.71	0.68
Our company has a comprehensive code of conduct	0.80	0.76
Our company is recognized as a trustworthy company	0.65	0.62
CSR perceptions		
Subscale: Philanthropic CSR activities	0.89	0.99
Subscale: Ethical CSR activity	0.77	0.76

organization. Although the present study does not measure the actual CSR activities of the company *per se*, one could argue that actual CSR activities and CSR perceptions should be strongly related. This, in turn, may suggest that democratic organizations could be better equipped to promoting CSR activities, and thus contribute to a more socially responsible business world in general.

Third, our study also contributes to the literature on meaningful work and especially the call for research on which organizational antecedents promote the experience of meaningful work. Our results show that there is indeed a positive, significant relationship between organizational democracy and meaningful work, suggesting that organizational democracy may be an important contextual factor that contributes to the experience of meaningful work. Thus, our study responds to the research gap presented by Rosso et al. (2010), by giving more knowledge on how different sources of meaningful work simulate the experience of meaningfulness in the workplace simultaneously. Moreover, our findings are in alignment with the theoretical model proposed by Ashford and Pratt (2003), which highlights the importance of employee involvement practices in the understanding of how to create meaningful work.

Compared to other relevant research regarding contextual antecedents of meaningful work, our study is in alignment with the empirical work of Peng et al. (2016), who find that a *leader context* that grants autonomy trough intellectual stimulation, increases the perception of meaningful work from the employees. Our research expands this study by looking at how autonomy granted trough the specific *organizational context* that the leader operates within, affects the experience of meaningful work. In general, our study therefore underlines how it is not only the *work tasks* that shape the employees experience of meaningfulness, but also the *organizational context* that the employees operate within. This is in accordance with the qualitative research by Bailey and Madden (2017) who conclude that *"all jobs have the potential to be both meaningful and meaningless"* (p. 3), and that meaningfulness would arose through work experiences that were shared and autonomous. These findings align well with the result of our research as sharing and autonomy may be well stimulated through a context that fosters organizational democracy.

Practical implications

This study has several practical implications that are worth noting. First, we show that if organizations wish to create meaningful workplaces, they should not only focus on the work tasks that the employees are given, but also focus on the organizational context that the employees operate within. The study reveals that organizational democracy is significantly positively related to the experience of meaningful work, suggesting that fostering organizational democracy in organizations can serve as an important mechanism to improve the experience of meaningful work. However, our study also suggests that organizational democracy may be a important factor to improve

the perceptions of CSR in the organization, which strengthens the experience of meaningfulness. Thus, organizations that wish to improve employees' experience of meaning and perceptions of CSR should strive to create structures where participatory decision making is mandatory, both at the operational and short-term level and at the long-term strategic level.

Limitations and further research

Although our study has several strengths, such as an original theoretical contribution and a sample representing diverse industries, it also has certain limitations that are worth noting. First, the data in our study come from only one source — the employees — so the study may be subject to common method bias. Thus, the employees in our study might for example have rated CSR perceptions high, based on their previous high rating of organizational democracy, or because they are generally satisfied with their workplace (Podsakoff et al., 2012). However, Spector (2006) and Podsakoff et al. (2012) found that common method bias may be an overrated problem in general. Moreover, in our sample we separated the collection of the independent and the dependent variables, which is found to reduce common method bias (Podsakoff et al., 2012). A second limitation of the study is the possibility of reversed causality in our data. For example, it could be that the experience of meaningfulness also leads to greater involvement in organizational practices and therefore create a perception of a more democratic organization. Therefore, further studies should aim to explore the causality between the constructs further by using objective data or experimental methods that are better suited to establish causality. For example, further research could explore and compare democratic organizations with less democratic organizations to explore differences in perceptions of meaning and CSR perceptions.

Conclusion

In this study we explored the effect of organizational democracy on meaningful work and how perceptions of CSR are involved as an important mechanism in this relationship. Specifically, we found that organizational democracy is an important antecedent of meaningful work and that the employees' perception of CSR partly mediates this relationship. Our study thus has *theoretical implications* for scholars doing research on both organizational democracy, CSR and meaningful work. Our study has *managerial and practical contributions* by showing how a specific organizational context can be arranged to stimulate CSR perceptions and meaningful work. The study has certain *limitations,* as the data obtained are cross sectional and comes from one source. We encourage *further research* to explore the effect of organizational democracy on meaningful work, with more objective and longitudinal data and to consider other intermediate variables in this relationship. Ultimately, this

knowledge can be an important step toward understanding how to create more meaningful work.

Data availability statement

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Ethics statement

Ethical review and approval was not required for the study on human participants in accordance with the local legislation and institutional requirements. The patients/participants provided their written informed consent to participate in this study.

Author contributions

MS and TJ developed the idea for the study and revised the paper in its final form. MS collected the data and wrote the majority of the paper, notably theory and discussion sections and in part the methods section. TJ conducted the analyses and wrote the results section and parts of the methods section. All authors contributed to the article and approved the submitted version.

Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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Perceptions of Customer Incivility, Job Satisfaction, Supervisor Support, and Participative Climate: A Multi-Level Approach

Zselyke Pap[1]*, Delia Vîrgă[1] and Guy Notelaers[2]

[1] Department of Psychology, West University of Timişoara, Timişoara, Romania, [2] Department of Psychosocial Science, University of Bergen, Bergen, Norway

Perceived customer incivility can be a significant day-to-day demand that affects frontline service employees' job satisfaction. The current research focuses on job resources on multiple levels that serve as buffers in the face of this demand. We tested a multi-level model in which supervisor support (at the employee level) and participative climate (at the work-unit level) moderate the negative relationship between perceived customer incivility and job satisfaction. We used multi-level analysis with self-reported cross-sectional data collected from 934 employees nested in 107 work units of a large clothing shop chain in Belgium. The results showed that both supervisor support and participative climate moderate the negative relationship between perceived customer incivility and job satisfaction. The theoretical contribution of this study resides in an extension of the JD-R theory to simultaneously conceptualize resources on multiple levels. In the meantime, we focus on practical, hands-on resources that organizations can implement to protect service employees from the adverse effects of perceived customer incivility.

Keywords: participative climate, job satisfaction, supervisor support, customer incivility, multi-level, job resources, job demands

INTRODUCTION

The frequent interactions inherent to front-line employees' jobs often include dealing with customers who behave in unfriendly and disrespectful ways (Han et al., 2016). This represents a daily hassle for retail workers, and since "the customer is always right" policies are characteristic of organizations that thrive on customer satisfaction (Wilson and Holmvall, 2013), front-line employees need to frequently regulate their emotions and spend resources to offer service with a smile to every customer (Koopmann et al., 2015). *Customer incivility* is defined as the employee's perception that the customer is behaving in an uncivil manner (e.g., being disrespectful or insulting; van Jaarsveld et al., 2010) and has been negatively related to employee well-being and job satisfaction (Alola et al., 2019). While a plethora of research has shown that it has adverse effects in terms of increasing employees' stress levels (Kim et al., 2014), leading to emotional exhaustion (van Jaarsveld et al., 2010), in a domain where customer satisfaction is a central preoccupation for organizations, employee satisfaction also represents a primary outcome due to its' consistent relationship to customer service quality and customer satisfaction (Brown and Lam, 2008). Since

interactions with the customer represent the main activity of a front-line retail employee and eliminating this stressor is not a straightforward option, we focus on finding moderators in the workplace dynamics with supervisors and colleagues (Yang and Lau, 2019).

This study is guided by the postulates of Job Demands-Resources Theory (JD-R; Bakker and Demerouti, 2017), which explains work-related outcomes like satisfaction, based on two main processes (a motivational and a health impairment process), which are a function of two key elements: job demands and resources. Central to JD-R and the present study are resources, or those physical, psychological, social, and organizational aspects of the job that motivate employees by being functional in achieving work goals, stimulating growth and development, and reducing job demands, and associated costs (Bakker and Demerouti, 2017). This definition has some theoretical limitations with implications for the design of this study and the theoretical reasoning behind our hypotheses.

First, it implies a functional equivalence of resources at all levels (be they physical, psychological, social, or organizational). It postulates that they work the same way at and across all levels (Bakker and Demerouti, 2017). However, aggregating individually perceived resources to the group level makes them phenomenologically distinct (Bliese, 2000). Transferring inferences derived from individual-level research to other organizational levels is a fallacy that can lead us to biased inferences (Kozlowski and Klein, 2000). Hence, while we can build on valuable individual-level evidence suggesting their existence and effects (Chen et al., 2021), we need to be cautious in naturally accepting that resources at higher levels work the same way they do at the individual level. To construct unbiased knowledge about multi-level phenomena in organizations, constructs need to be measured and theorized at the level they reside at Kozlowski and Klein (2000). Since theoretical reasoning for cross-level relationships within the JD-R tradition is based on a research base that for a very long time has been focused on the individual level (Bakker and Demerouti, 2017), much more evidence is needed to draw strong conclusions when it comes to cross-level moderating effects (Jex et al., 2014).

Second, the JD-R theory postulates a skeleton of various relationships but is not very specific in explaining the psychological mechanisms behind effects (Bakker and Demerouti, 2017). Consequently, researchers usually borrow from complementary theories that can help construct more in-depth theoretical reasoning in JD-R studies (Schaufeli and Taris, 2014). Similar to previous work, we also rely on postulates from *Conservation of Resources Theory* (COR; Hobfoll, 2011) and *Self-Determination Theory* (SDT, Gagné and Deci, 2005; Deci et al., 2017). According to SDT, resources have their motivational potential postulated in JD-R theory when they satisfy employees' basic needs for autonomy, competence, and relatedness (Deci et al., 2017; Nielsen et al., 2017). When employees perceive the work context as one that provides the necessary resources to satisfy these needs, they tend to develop internalized forms of motivation, be more performant in challenging tasks, and form more positive attitudes toward their jobs (Gagné and Deci, 2005). Chen et al. (2021) have argued that empowering HRM practices

could represent an organization-level characteristic that buffers the impact of customer incivility on basic needs' satisfaction. These results, however, are still waiting for confirmation at higher levels of analysis that can differentiate between the individual impact of perceptions of the environment, and the actual impact of the environment, which is more than the sum of individual perceptions (Bliese, 2000; Kozlowski and Klein, 2000).

Conservation of Resources Theory theory presents another valuable theoretical reasoning for the possible cross-level moderating effects under the concept of *resource caravan passageways* (Hobfoll, 2011). These are environmental conditions offered by the organization that support, foster, enrich and protect the resources that individuals can access to cope with everyday difficulties (Hobfoll et al., 2018). From this point of view, employees can draw on these contextual resources to replenish resources that were depleted in interactions with uncivil customers (Koopmann et al., 2015; Wang and Wang, 2017). Hence, both COR and SDT theories add to the explanatory power of JD-R by elucidating processes through which higher-level resources could minimize or recover resource loss (Schaufeli and Taris, 2014; Boukis et al., 2020).

Based on this theoretical background, we propose a multi-level JD-R model (**Figure 1**) of perceived customer incivility (PCI) and *job satisfaction*, conceptualized as a pleasurable emotional state derived from one's work (Brown and Lam, 2008). We argue that *supervisor support*, defined as the extent to which employees believe that their supervisors appreciate, value, and care about their well-being (Zhu et al., 2019), is an employee-level resource that can alleviate the adverse effects that PCI has on job satisfaction (Alola et al., 2019). Further, we propose *participative climate* as a shared, group-level resource that moderates the relationship between PCI and satisfaction beyond the effects of supervisor support. In this context, participative climate constitutes a resource caravan passageway that employees can turn to and replenish resources handling negative interactions with customers better (Hobfoll et al., 2018).

From a theoretical point of view, this research extends existing knowledge through the conceptualization of participation as a shared, group-level resource in the form of climate (Füllemann et al., 2016; Pap et al., 2020). Previous studies have advocated for the conceptualization of shared, group-level resources as climate in service-employee contexts (Füllemann et al., 2016) since various types of unit-climate have significant direct or buffering effects on employee subjective well-being akin to the effects of job resources (Carr et al., 2003). Hence, while there is a theoretical and empirical basis that warrants attention to these kinds of multi-level relationships (Bakker and Demerouti, 2017, 2018), this is the first study that considers participative climate as a group-level moderator in the PCI – satisfaction relationship alongside to supervisor support received at the individual level. Although a long-standing research stream indicates that all organizational phenomena are nested in a higher-level context, which often has a direct or moderating effect on lower-level outcomes (Kozlowski and Klein, 2000; Jex et al., 2014), the vast majority of studies investigating employee well-being focus on the physical and psychological level of the individual, leaving a gap around

FIGURE 1 | A multi-level model of perceived customer incivility, satisfaction, supervisor support, and participative climate.
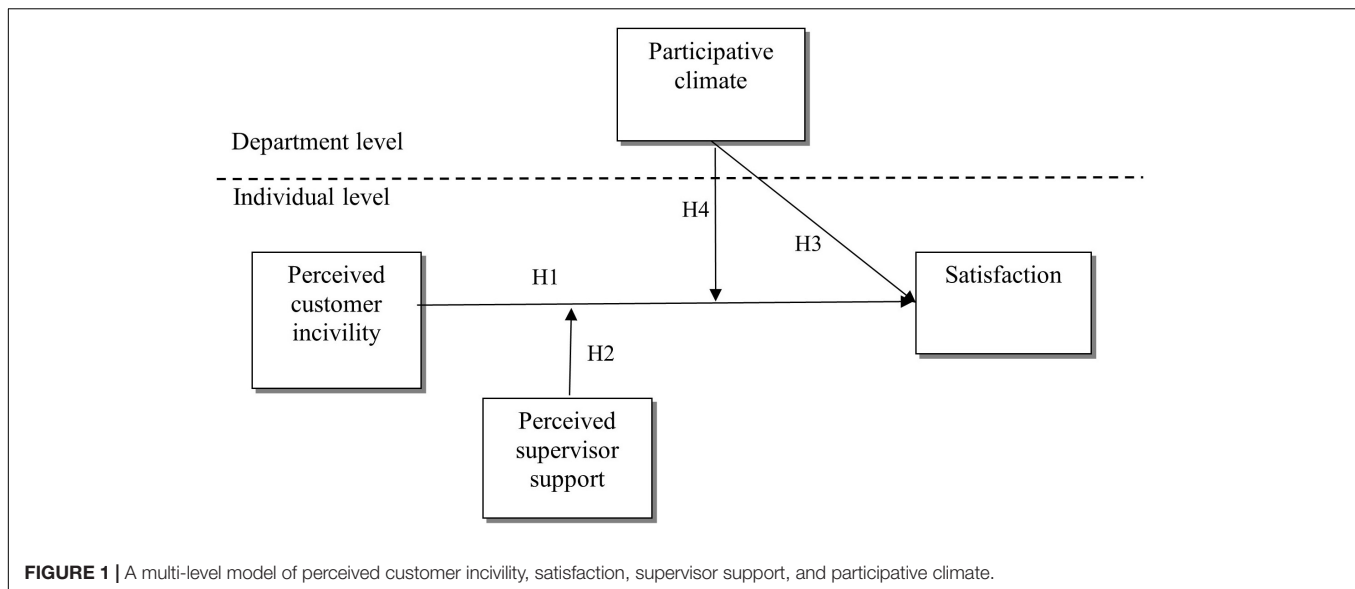
empirical evidence supporting the proposed interaction effects across levels (Bakker and Demerouti, 2017).

Multi-level theoretical frameworks of employee well-being are still relatively new and are in need of more evidence that sustains their practical relevance in organizations (Bakker and Demerouti, 2018; Hobfoll et al., 2018). Thus, our work contributes to existing knowledge by answering the call of Bakker and Demerouti (2018) to investigate the effects of demands and resources that span organizational levels in order to develop more effective interventions. Hence, from a practical point of view, this research is valuable due to the focus on hands-on, concrete resources that managers and organizations can implement on two different but complementary levels in their attempts to help employees better cope with uncivil customers (Nielsen et al., 2017). In a literature stream that focuses mainly on the customer-employee dyad in the attempts to understand the adverse effects of customer incivility (Yang and Lau, 2019), empirical evidence that bridges multiple levels of the organizational knowledge together (employee reactions, supervisor effects, and collective resources in the work unit) can constitute significant scientific advantage (Kozlowski et al., 2013).

Perceptions of Customer Incivility and Job Satisfaction

Perceptions of customer mistreatment have been linked to significant adverse effects on employees' job satisfaction and well-being (for a review, see Koopmann et al., 2015). In the JD-R perspective, PCI represents a job demand (Boukis et al., 2020), which causes strain and adverse employee outcomes through a health impairment process in which employees' emotional and instrumental resources are drained (Bakker and Demerouti, 2018). In line with this postulate, interactions with uncivil customers have been shown to significantly increase employee's stress levels (Kern and Grandey, 2009; Kim et al., 2014), leading to emotional exhaustion (van

Jaarsveld et al., 2010), and decreased satisfaction (Alola et al., 2019). Hence, perceived customer incivility is an essential demand that fuels the health impairment process, generating high levels of stress. In addition, the front-line employee can interpret customer incivility as an indicator of goal failure and lack of performance (Koopmann et al., 2015), thereby thwarting the satisfaction of basic psychological needs for competence and autonomy (Gagné and Deci, 2005; Deci et al., 2017), and decreasing satisfaction (Kim et al., 2014; Chen et al., 2021). While this relationship was primarily studied in health care settings (Wang and Wang, 2017), restaurants (Han et al., 2016), and front-line employees in hotels and resorts (Yang and Lau, 2019), there is also empirical evidence showing a negative link between PCI and job satisfaction among retail employees (Kern and Grandey, 2009; Wilson and Holmvall, 2013).

H1.: Perceived customer incivility is negatively related to job satisfaction.

Supervisor Support as a Moderator

Extensive literature indicates that certain leadership behaviors are highly effective in promoting employee job satisfaction (Wegge et al., 2010). We argue that beyond the evident direct effects that leaders can have on employee well-being, their support is also a key element in helping employees face difficult situations, such as interactions with rude and unfriendly customers (Han et al., 2016; Zhu et al., 2019). According to the buffering effect of job resources postulated in the JD-R theory, supervisor support can help reduce job demands and associated psychological and physiological costs (Bakker and Demerouti, 2018). Supportive supervisors, who provide guidance and training in employee's customer service role, elicit better sales skills and service performance (Liaw et al., 2010). By this, supervisors are empowering the employee to take effective action when meeting the next customer, essentially satisfying the basic needs for autonomy and competence thwarted by PCI (Gagné and Deci, 2005; Chen et al., 2021) and restoring

satisfaction (Pettijohn et al., 2007; Deci et al., 2017). Also, in line with COR theory (Hobfoll, 2011), a supportive supervisor, through broader access to organizational resources and greater decision-making authority, can offer the necessary aid to deal with the situation by restoring or replacing depleted emotional and instrumental resources (Hobfoll et al., 2018) that are lost due to the frequent negative interactions with uncivil customers (Koopmann et al., 2015; Boukis et al., 2020). Supervisor support has significantly moderated the effect of PCI on forms of well-being in a sample of restaurant employees (Han et al., 2016) and among employees of an integrated resort (Zhu et al., 2019). However, this moderating effect was not significant among hotel front-line employees (Karatepe, 2011), which warrants a further focus on the buffering role of supervisor support in different industries (Boukis et al., 2020).

H2.: *Supervisor support buffers the negative impact that perceived customer incivility has on job satisfaction.*

Participative Climate

As part of the wider employee involvement and organizational leadership model (EIOL; Wegge et al., 2010), organizational participation has been defined through various processes whereby power, influence, decision-making, and responsibility are shared among employees, supervisors, and other relevant agents working in, or with the company. According to Tesluk et al.' (1999) seminal article, participative climate captures employee perceptions of such employee involvement systems, signaling to employees that participation in work planning, decision making, and on-the-job problem solving are relevant organizational goals that are expected and rewarded practices within the organization (Schneider et al., 2011). Climate exerts top-down, cross-level effects on employee well-being (Kozlowski and Klein, 2000; Jex et al., 2014), but is created through a bottom-up process labeled as *emergence*, whereby dynamic interaction processes among employees yield phenomena that originate from the cognition, affect, and behaviors of individuals, and manifests on higher levels, in the form of climate (Kozlowski et al., 2013). Employees tend to develop a shared understanding of the environment, which facilitates the emergence of climate, reflecting a sense of shared meaning among co-workers (Jex et al., 2014). Employees need to frequently experience that the organization values their input in decisions regarding their work and openly communicates about these decisions (Seki et al., 2016), but also to have experiences of concrete, individual participation, a shared meaning of participation with beneficial effects to arise (Weber et al., 2020).

In the JD-R theory perspective, participation is a resource that can be beneficial to employees at the fastest route through being directly instrumental in achieving work goals or stimulating personal growth, learning, and development (Bakker and Demerouti, 2017; Nielsen et al., 2017). Working in a participative climate, employees also perceive that more control is offered to them in making decisions regarding customers, eliciting greater experience of responsibility and recognition (Bosak et al., 2017). When employees perceive that individuals have the power to influence decisions and participate in important discussions in their work unit, they feel that their work can involve action with a sense of volition and the experience of choice (Gagné and Deci, 2005). This, in turn, can elicit internalized forms of motivation through fulfilling the needs for autonomy and competence (Gagné and Deci, 2005; Deci et al., 2017) and giving rise to more positive attitudes, like job satisfaction (Miller and Monge, 1986; Bosak et al., 2017; Weber et al., 2020; Chen et al., 2021). Empirical evidence shows that perceptions of participative climate are better predictors of job satisfaction and performance than actual participation in specific decisions (Miller and Monge, 1986). A multi-level study showed that in work units where employees perceive the existence of an involvement climate and actively participate in decision-making, they find more satisfaction in their job (Bosak et al., 2017). Finally, Tesluk et al. (1999) showed that participative climate, both perceived individually and aggregated at the unit-level (but on the higher, district level), significantly predicted satisfaction in the relationships with co-workers and supervisors and with the attention and recognition they perceived for performing well at their jobs and making suggestions (measured as intrinsic satisfaction, Tesluk et al., 1999).

H3.: *Unit-level participation climate has a positive relationship with job satisfaction.*

Facing rude or disrespectful customers can be a daunting task, which according to COR theory, depletes individual resources and predisposes employees to loss cycles whereby individuals have fewer and fewer resources to face further losses (Koopmann et al., 2015). However, COR theory also states that the degree to which the employee has access to contextual resources in the social environment can play an important role in resource acquisition and protection from resource depletion (Hobfoll, 2011). Participative climate can constitute a resource caravan passageway (Hobfoll et al., 2018) because it could protect existing resources (e.g., knowing that one has a voice in defining procedures and rules in dealing with rude customers might preserve self-esteem and optimism), or it can generate new resources (e.g., a greater sense of autonomy and control over the situation; Castanheira and Chambel, 2010; Chen et al., 2021). The possibility of resource gain becomes salient in the context of resource loss (Hobfoll, 2011), meaning that a shared understanding that participation is accepted rewarded, and essential in the work unit becomes especially important in the context of PCI. In such environments, employees might feel that their experience and opinion in dealing with these interactions will be listened to and considered, eliciting ownership over the situation and building resilience (Hobfoll et al., 2018). Available opportunities to propose and implement better customer service strategies might motivate the employee to be actively involved in generating performant service solutions, which drive satisfaction (Pettijohn et al., 2007; Chen et al., 2021).

There is a relative lack of empirical evidence positioning participative climate as a buffer between PCI and satisfaction. One recent longitudinal study demonstrated that individual-level perceptions of empowerment HRM practices (including participation among other practices in one general measure)

constitute a boundary condition for the relationship between customer mistreatment and employee satisfaction (Chen et al., 2021). In another individual-focused study, PCI related less positively to exhaustion in teams where employees had more participation opportunities (Hu et al., 2018). Based on the finding that it moderated the relationship between several job demands and symptoms of depression, participative climate has been advocated to be vital in creating healthy workplaces (Seki et al., 2016).

H4.: Unit-level participation climate buffers the negative effect of perceived customer incivility on job satisfaction.

MATERIALS AND METHODS

Participants and Procedure

The data for this study was collected by a Monitoring and Statistical Consulting company from Belgium specialized in measuring occupational stress for Belgian Health and Safety Executives. Nine hundred thirty-four (N = 934) employees, nested in 107 work units of a large clothing shop chain, completed self-reported questionnaires. Cluster size varied from 2 to 24 members per unit with a mean of 8.7. No members of the surveyed organization had access to any of the completed questionnaires, herewith guaranteeing anonymity.

Sample Characteristics

The sample consisted of a large proportion of women (94.8%). 12.3% had a minimum of 25 years, 20.4% were situated in the range of 25–34 years, 17.1% between 35 and 44 years, 34% between 45 and 54 years, and 16.1% of participants had over 55 years. Most were part-time employees (64.4%) with a mean tenure of 14.3 years (SD = 12.3). Regarding education, 3.2% completed primary school, 82.4% had completed secondary school, and 14.3% had a Bachelor's or higher degree. 62.4% of participants worked as shop assistants, about 10% occupied posts in visual merchandising, and 25.5% held managerial positions.

Measures

Subscales of *The Short Inventory to Monitor Psychosocial Hazards* (SIMPH; Notelaers et al., 2007) were used to measure all study variables. The SIMPH was developed by Notelaers et al. as a theoretically driven and empirically solid instrument with the aim of monitoring psychological risks that employees are exposed to in organizations. It has become a very popular instrument to conduct psychosocial risk analysis in Belgium, providing a skeleton that is completed upon request by extra instruments aligned with the JD-R theory and the specific needs of different organizations. Beyond its' extensive practical use by the statistical consulting company that collected the data for this study, a number of research articles have relied on it over the years (e.g., Schreurs et al., 2011; Notelaers et al., 2012; Pap et al., 2020).

Perceptions of customer incivility were measured with four items on a 4-point Likert scale from 0 = "never" to 3 = "always". Questions referred to the frequency of interactions with unfriendly, verbally abusive clients ("How often do you have

to deal with unfriendly clients?"). The scale had good internal consistency (α = 0.76).

Satisfaction was measured with five items on a dichotomous response scale (e.g., 0 = "yes"; 1 = "no"). Items, in general, referred to pleasure in work ("Mostly, I am pleased to start my day's work.") The reliability analysis revealed a good internal consistency for this scale (α = 0.72).

Supervisor support was measured by three items on a 4-point Likert scale from 0 = "never", to 3 = "always". Items referred to participants' perceptions of the availability of the direct supervisors to help when needed ("Can you count on your direct boss when you come across difficulties in your work?"). The scale had excellent reliability (α = 0.90).

Participation was measured with three items on a 4-point response scale from 0 = "never" to 3 = "always" ("Can you participate in decisions affecting issues related to your work?"; "Can you consult satisfactorily with your boss about your work?"; "Can you participate in deciding what does and what does not pertain to your task?"). This scale also had good internal consistency (α = 0.77).

Statistical Approach

Preliminary Analyses: Aggregation Statistics and Test for Common Method Bias

Before the aggregation of participation at the department-level, we calculated the r_{wg} index (LeBreton et al., 2003) and the intra-class correlation (ICC, Bliese, 2000) to establish if it is justified to aggregate participation to the unit level and to gauge the degree of non-independence of the satisfaction measure. The r_{wg} index assesses the extent of consensus or within-unit variability inside a unit, and indices of 0.70 or higher support the "shared" nature of the variable in question (LeBreton et al., 2003). $ICC(1)$ represents the ratio of between-group variance to the total variance, indicating the proportion of the total variance explained by group membership (Bliese, 2000).

A series of confirmatory factor analyses (CFA) were implemented to establish the discriminant validity of our constructs and assess the risk of common method bias influencing the results (Podsakoff et al., 2003). A multi-level CFA was conducted to determine the factor loadings of the participation items and the existence of a latent participation construct on both levels.

Hypotheses Testing

We tested the proposed model through Hierarchical Linear Modeling using Maximum Likelihood estimation with robust standard errors in MPlus (Muthén and Muthén, 2007). In the first step, we ran a null model assessing the variability of satisfaction imposed by unit membership. In the next step, we added the L1 predictors (PCI and supervisor support), followed by the L1 interaction term, to assess the moderating effect of supervisor support. In the fourth step, we allowed the slopes of the relationship between PCI and satisfaction to vary randomly. In the fifth step, we tested a means as outcomes model using the L2 variable (participation climate) to predict the intercept of satisfaction. In the final step, we tested the cross-level moderating effect of participative climate by regressing the PCI – satisfaction

slope on the L2 predictor. For a detailed analysis of the cross-level interaction, we performed simple slopes tests using Preacher's online tool (Preacher et al., 2006).

We centered the L2 predictor around the grand mean and the L1 predictors around the group mean. After each step, we calculated pseudo-R^2 on the total, within and between variance, tested the improvement in model fit using the Bayesian Information Criteria (BIC), and hand-calculated the chi-square difference test using Satorra-Bentler scaled chi-square based on the log-likelihood (Satorra and Bentler, 2010), which is the appropriate difference test when using the MLR estimator in Mplus.

RESULTS

Means, standard deviations, scale reliabilities, and Pearson correlations for key study variables are summarized in **Table 1**.

The *ICC(1)* for satisfaction had a value of 0.099. Hence, about 10% of the variance in satisfaction can be explained by department-level differences, which justifies the multi-level analysis of our data. The mean $r_{wg(j)}$ index for our measure of participation was 0.88, and the *ICC(1)* was 0.11, which indicates satisfactory inter-rater agreement and dependence on unit membership to aggregate participation to the department level (LeBreton et al., 2003). The multi-level CFA also supported this decision. The model which specified a latent factor of participation on both levels had a significantly better fit [$\chi^2(3)$ = 12.54; CFI = 1.00; TLI = 1.00; RMSEA = 0.00; SRMR$_{within}$ = 0.00; SRMR$_{between}$ = 0.003], than the one in which the items loaded only on a within-cluster factor [$\chi^2(3)$ = 45.394; CFI = 0.93; TLI = 0.87; RMSEA = 0.12; SRMR$_{within}$ = 0.02; SRMR$_{between}$ = 0.57]. Factor loadings ranged from 0.43 to 0.74 on the within level (r^2 from 0.29 to 0.40), and from 0.20 to 0.24 on the between level (r^2 from 0.58 to 0.9).

Further, tackling the issue of common method bias, the expected four-factor solution displayed the best fit to the data [$\chi^2(84)$ = 462.35; CFI = 0.93; TLI = 0.92; RMSEA = 0.06; SRMR = 0.06]. A 3-factor model, with supervisor support and participation loading on the same factor, yielded a significantly worse fit [$\chi^2(87)$ = 808.04; CFI = 0.87; TLI = 0.85; RMSEA = 0.09; SRMR = 0.06]. The one-factor solution demonstrated an inacceptable fit to the data [$\chi^2(90)$ = 2460.05; CFI = 0.58; TLI = 0.51; RMSEA = 0.17; SRMR = 0.14], providing evidence that correlations are not driven purely by method bias (Podsakoff et al., 2003).

Table 2 reports the results of hierarchical linear regression in each step of model building. In terms of model fit, we observed a progressive decrease in BIC values, and a significant chi-squared difference between models, indicating that model fit improved by each step in the analysis.

Results show that PCI significantly and negatively predicts satisfaction (γ_{10} = −0.48, p < 0.001); hence, the first hypothesis (H1) gained support. Moreover, supervisor support positively predicted satisfaction (γ_{20} = 0.44, p < 0.001), and the two L1 predictors together explained a considerable amount of 10.9% of the total variance in satisfaction (pseudo-R^2 = 0.109).

The second hypothesis (H2) referred to the buffering effect of supervisor support in the relationship between PCI and satisfaction. The results show that the L1 interaction term is a significant positive predictor of satisfaction (γ_{30} = 0.50, p = 0.004), supporting H2. In other words, employees are satisfied with their job even in the case of frequent interactions with demanding clients when they perceive that their supervisor is offering sufficient support. The simple slopes analysis depicted in **Figure 2** showed that at lower levels of supervisor support (1 SD below the mean), PCI predicts satisfaction negatively (β = −0.79, p < 0.001). However, the relationship becomes non-significant when supervisor support is high (1 SD above the mean; β = −0.10, p = 0.45).

Further, we found a significant variation from one work unit to another of the PCI – satisfaction slope (μ_{1j} = 0.48, p = 0.001), which suggests that the relationship between PCI and satisfaction differs among work units. Also, there was a positive covariance of the random intercept with slope, meaning that departments with higher intercepts also show a stronger relationship between PCI and satisfaction.

The third hypothesis (H3) postulated a significant direct cross-level effect of participation climate on satisfaction. The data confirm this assertion, showing that higher levels of participation climate at the department level indicate higher intercepts of satisfaction (γ_{01} = 0.56, p < 0.001). Not surprisingly, at the between level, the most variance (28.4%) was explained by the L2 predictor.

Furthermore, the L2 variable significantly predicted the slope (γ_{11} = 0.98, p = 0.004), which is in line with the fourth hypothesis (H4), showing a cross-level moderating effect of participative climate (**Figure 3**). Thus, participative climate predicted the variability in the relationships between PCI and satisfaction among departments.[1] The simple slope analysis showed that, at low levels of participative climate (1 SD below the mean), PCI predicts satisfaction negatively (β = −0.76, p = 0.000), and this relationship becomes non-significant at high levels of participative climate (+1 SD above the mean; β = −0.13, p = 0.286). This means that in work units where participative climate is higher, interactions with difficult clients do not relate significantly to satisfaction anymore.

DISCUSSION

The present study investigated the effects of perceived customer incivility (PCI) on front-line employees' job satisfaction. We had the primary objective to identify theory-driven but practical resources from different organizational levels that can be useful for managers and organizations in helping front-line employees

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[1]As additional, post-hoc analysis, we also tested a model in which we controlled for the effect of L1 participation. Our expectation was that if participation climate has a robust and unique effect that is differentiable from the L1 measure, the results should not change in this model. The results remained stable, all effects remained significant, hence we concluded that the L2 effect is robust enough, even when the L1 participation is modeled at the employee level.

face difficult customers while still holding positive attitudes toward their jobs. To reach this objective, we built on widely used and influential theories in the organizational research domain: JD-R theory (Bakker and Demerouti, 2017), COR theory (Hobfoll, 2011), and SDT (Gagné and Deci, 2005), to construct a multi-level model in which individual-level resources (supervisor support), and shared resources at the work-unit level (participative climate), moderate the adverse effects of PCI on job satisfaction.

In line with our first hypotheses, results from employees in a large clothing shop chain suggest that PCI is a job demand that significantly and adversely impacts job satisfaction. According to JD-R theory (Bakker and Demerouti, 2017), employees go through an energy-depleting process when faced with sustained demands such as dealing with uncivil customers, which in turn affects outcomes like performance and work attitudes. Aligned with this theoretical reasoning and with our results, other cross-sectional studies have indicated that customer incivility is a

pervasive demand in industries that imply frequent interactions with customers (Boukis et al., 2020) because it is not only directly predictive of exhaustion (Koopmann et al., 2015) but also generating more demands (van Jaarsveld et al., 2010). As employees become exhausted by customers, they also get unhappy and dissatisfied by their jobs (Alola et al., 2019). Two underlying mechanisms have been discussed in the literature for the negative effects of this demand. According to COR theory, on the one hand, front-line employees risk losing more of their resources while trying to create a welcoming environment, control their emotions and be pleasant in delivering service to uncivil customers (Hobfoll et al., 2018; Boukis et al., 2020), and these resource loss cycles are exhausting and dissatisfying for them (Alola et al., 2019). On the other hand, interactions with such customers can thwart the basic psychological needs (Gagné and Deci, 2005) of competence (i.e., feeling like a failure at ones' job because of unfair complaints or hurtful comments at ones' service) and autonomy (i.e., being forced to suppress emotions

TABLE 1 | Correlations, reliabilities, and descriptive statistics for key study variables.

	M (SD)	α	Satisfaction (L1)	Supervisor support (L1)	Participation (L1)	Participative climate (L2)
Perceived customer incivility (L1)	0.86 (0.47)	0.76	−0.28**	−0.24**	−0.12**	−0.077*
Satisfaction (L1)	4.22 (1.22)	0.72		0.34**	0.31**	0.18**
Supervisor support (L1)	2.09 (.80)	0.90			0.55**	0.38**
Participation (L1)	1.57 (.65)	0.77				0.47**
Participative climate (L2)	1.57 (.32)					

$N = 934$. **$p < 0.001$, *$p < 0.05$. L1, level 1; L2, level 2.

TABLE 2 | Results of multi-level analysis.

	Model					
	Null model (step 1)	L1 main effects (step2)	L1 interaction (step 3)	Random slope (step 4)	L2 main effect (step 5)	Cross-level interaction (Step 6)
Level 1						
Intercept (γ_{00})	4.24*** (0.05)	4.24*** (0.05)	4.27*** (0.05)	4.27*** (0.05)	4.26*** (0.05)	4.25*** (0.05)
PCI (γ_{10})		**−0.48*** (0.12)**	−0.45*** (0.11)	−0.45*** (0.11)	−0.47*** (0.11)	−0.45*** (0.11)
Supervisor support (γ_{20})		**0.44*** (0.06)**	0.44*** (0.06)	0.43*** (0.06)	0.43*** (0.06)	0.43*** (0.06)
PCI*Supervisor support (γ_{30})			**0.50** (0.17)**	0.42** (0.01)	0.43** (0.17)	0.41** (0.16)
Level 2						
Participative climate (γ_{01})					**0.56*** (0.16)**	0.66*** (0.17)
Cross-level interaction						
Participative climate (γ_{11})						**0.98** (0.34)**
Variance components						
Within-group (L1) (ε_{ij})	1.34*** (0.12)	1.16*** (0.09)	1.14*** (0.09)	1.04*** (0.09)	1.05*** (0.09)	1.05*** (0.09)
Intercept (L2) (μ_{0j})	0.14** (0.05)	0.16** (0.05)	0.15** (0.05)	0.17*** (0.05)	0.12*** (0.03)	0.12*** (0.04)
Slope (L2) (μ_{1j})				**0.48*** (0.14)**	0.45*** (0.13)	0.40** (0.01)
Intercept-slope (L2) covariance				**0.18*** (0.05)**	0.13** (0.04)	0.12** (0.04)
Bayesian (BIC)	3,007.09	2,891.82	2,878.31	2,855.41	2,847.03	2,843.32
ΔBIC		−115.26	−13.51	−22.9	−8.38	−3.71
−2LL (df)		78.77 (2) ***	8.37 (1)**	120.8 (2)***	14.17 (1)**	8.19 (1)**
Number of free parameters	3	5	6	8	9	10
Pseudo R^2 total		0.109 (10.9%)	0.021 (2.1%)		0.034 (3.4%)	0.005 (0.5%)
Pseudo R^2 within		0.136 (13.6%)	0.015 (1.5%)			
Pseudo R^2 between					0.284 (28.4%)	–

L1, level 1; L2, level 2; Robust standard errors of estimates are in parentheses. ***Significant at, or below $p \leq 001$. **Significant below $p \leq 01$; All presented coefficients are unstandardized. New estimates derived from each step in the analysis have been bolded.
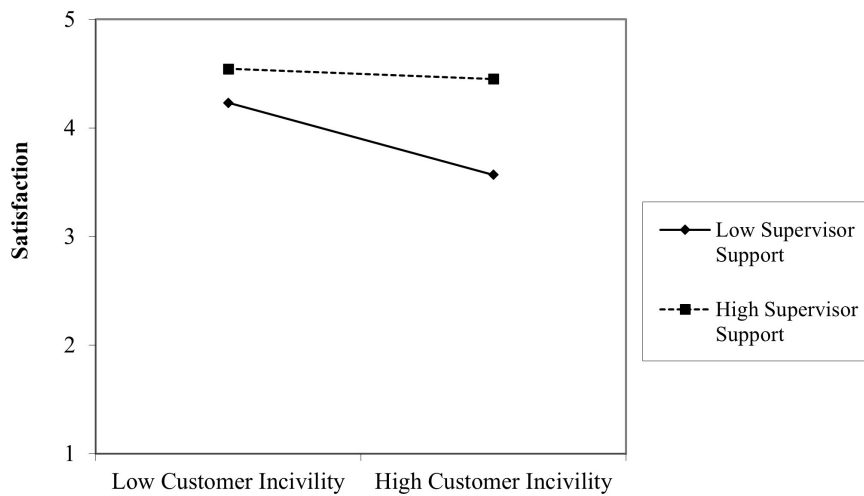
FIGURE 2 | Level 1 interaction between perceived customer incivility and supervisor support.
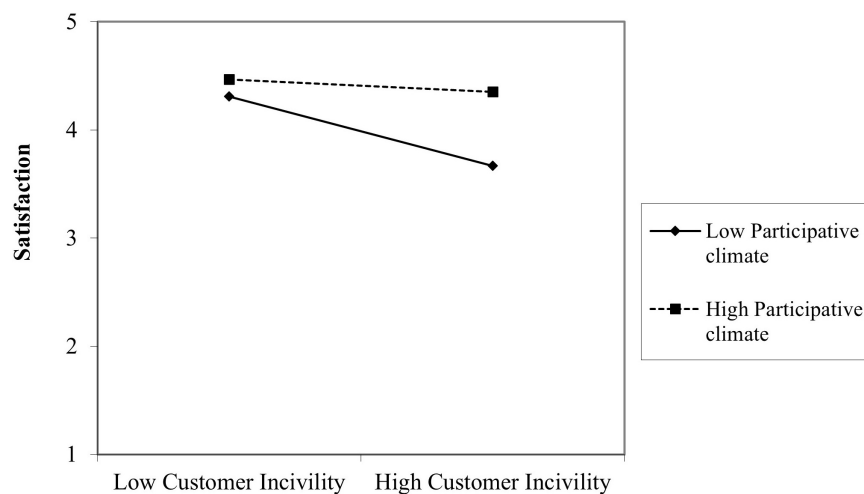

FIGURE 3 | Cross-level moderating effects of participative climate.

and be kind to another person because of the unbalanced customer-employee relationship where the customer has more power) (Koopmann et al., 2015; Chen et al., 2021). Chen et al. (2021) have demonstrated this in a longitudinal study among real estate agents, showing that customer mistreatment predicted reduced satisfaction of the needs for competence and autonomy 3 weeks later and lower job satisfaction and supervisor-rated performance 6 weeks later.

Therefore, we further hypothesized that resources in the work environment could decrease the effects of PCI and looked for resources that, according to theory, would substitute or restore the lost resources or satisfy basic needs when they are thwarted. In support of this, our data showed that supportive supervisors could have a buffering role, diminishing the negative relationship between PCI and job satisfaction. This is explained by the JD-R theory (Bakker and Demerouti, 2017), stating that

job resources particularly lead to positive employee outcomes in the presence of high job demands, and employee well-being can be sustained when there are available resources to balance out the effects of demands. This proposition is consistent with COR theories' assertion that resource gain becomes salient after resource loss (Hobfoll et al., 2018), and employees will draw on available resources provided by a supportive supervisor (e.g., guidance, training, actual help in addressing customers, and emotional support) to replenish lost resources and cope with the situation. Supervisors who offer empowering support to front-line employees can mitigate the negative impact of customer incivility and maintain psychological well-being among employees by restoring lost resources (Boukis et al., 2020). These resources are potentially fulfilling the needs for competence and autonomy (Gagné and Deci, 2005; Deci et al., 2017), which are thwarted by negative interactions with customers

(Chen et al., 2021). Employees can maintain their sense of competence, and they even provide extra-role customer service toward unfriendly customers when they feel supported by their supervisor (Han et al., 2016). Building on a solid research base documenting the buffering role of support between various stress factors and employee health outcomes (Lecca et al., 2020), our results suggest that supportive supervisory behaviors can also preserve employees' satisfaction with their jobs, regardless of being exposed to uncivil customers. Similar to our results, Han et al. (2016) have presented multi-level moderating effects of organizational and supervisory support in the employee-level relationship between customer incivility and burnout. Our study adds to this knowledge by demonstrating that supervisor support cannot only protect mental health and well-being (Han et al., 2016; Zhu et al., 2019; Lecca et al., 2020) but can also maintain positive attitudes toward work, even when it includes handling unpleasant interactions with clients.

Furthermore, as hypothesized, this study highlights the importance of considering higher-level job resources in predicting positive employee outcomes. Our results indicated that individual reports of participatory opportunities and actions aggregate within departments to a significant level, indicating that the individual resource of participation becomes a collectively understood resource shared at the department level (Kozlowski and Klein, 2000; Füllemann et al., 2016). Participative climate has positively predicted job satisfaction and explained a considerable amount of variance in satisfaction at the department level. This beneficial effect of workplace climate built around employee involvement and inclusion in decision-making replicates previous findings by Bosak et al. (2017) regarding the positive impact of employee involvement climate on job satisfaction. The most important finding of this study resides in the cross-level buffer effect of participative climate, reducing the adverse effect of PCI on job satisfaction. The shared understanding of the possibility and importance of participating in decisions is preserving employees' satisfaction, even when interacting with unfriendly and rude customers (Han et al., 2016; Chen et al., 2021). In the COR theory perspective, participative climate constitutes a resource caravan passageway, protecting employees' resources and generating other resources that travel in caravans (Hobfoll, 2011). Resources and their positive impact can crossover among employees who share the same environment and ultimately offer a pool of necessary resources to face difficult situations (Hobfoll et al., 2018). Placing this finding in the JD-R theory, participative climate is a resource that can foster growth, development and can motivate employees (Bakker and Demerouti, 2017) to offer better solutions and services to meet this challenge, which in turn drives performance and satisfaction (Pettijohn et al., 2007), by satisfying basic needs for competence and autonomy (Chen et al., 2021). Participation climate can be interpreted as a specific type of control over the work environment, and even employees who do not frequently participate directly can benefit from it (Weber et al., 2020). While supervisor support is a resource that can help deal with actual customers when needed, participative climate seems to be more future-oriented toward decisions and policies that are implemented to handle such interactions. Our data show a positive correlation between supervisor support and participative

climate, which can signal that more supportive supervisors also create more opportunities to participate or that supervisors in such climates are perceived as more supportive. According to previous evidence, leaders can shape and influence the way subordinates perceive organizational climate (Cuadra-Peralta et al., 2017), suggesting that the two types of resources may indeed come in caravans, as COR theory describes it.

Theoretical Implications

Individual resources exist in interaction with environmental conditions, and organizations play a significant role in the process of creating or blocking resources (Hobfoll et al., 2018). However, given the methodological challenges that multi-level research imposes, scholars often miss higher levels of analysis, and research incorporating climate with individual-level stressors is lacking (Jex et al., 2014) due to the field's disproportionate emphasis on the individual level (Bakker and Demerouti, 2018; Hobfoll et al., 2018). Hence, the main theoretical advancement of the current study resides in the extension of the JD-R theory to investigate individual and shared group-level resources simultaneously (Nielsen et al., 2017). The model captures the negative effect of the demand and the interaction between the demand and individual well-being, which have been thoroughly investigated in past research (Bakker and Demerouti, 2018). However, our research also establishes participative climate as an essential boundary condition for these effects and as a shared resource that can have a moderating role even after the effects of direct supervisor support have been taken into account. By building a theoretical model that goes beyond individual experiences, our study, alongside recently accumulating research (Füllemann et al., 2016; Pap et al., 2020), suggest that shared perceptions and experiences in the workplace have a significant role in defining available resources and employee well-being (Schaufeli and Taris, 2014) beyond the individually offered, hands-on, practical resources that research has traditionally focused on. Climate seems to have the role of a resource caravan passageway described in COR theory (Hobfoll et al., 2018), protecting employees from resource depletion and fostering positive outcomes by being an organization or department-level source for generating other resources and protecting the ones that employees possess (Hobfoll, 2011).

Managerial Implications

The present study identifies resources on different but complementary organizational levels, which can aid retail organizations in developing targeted interventions to reduce the negative impact of customer incivility among employees (Nielsen et al., 2017). We provide theoretically and empirically supported results, suggesting that training and encouraging leaders to offer support individually, alongside implementing HRM practices that create a participative climate among employees, can significantly reduce the effects of PCI and increase job satisfaction (Hu et al., 2018). Boukis et al. (2020) urge leaders to focus their efforts on supporting front-line employees struggling with customer verbal aggression in an empowering leadership style, which entails offering employees high guidance and training but also extensive autonomy in handling customers. Organizational participation can take various practical forms:

providing information to employees, offering space to express attitudes toward this information, giving voice in decision making, involving employees in important discussions, and taking their opinions into account, veto rights, sharing power among management and employees, and importantly, leaving the freedom to decide to participate or not, to the employee (Wegge et al., 2010). For example, managers can implement Quality Circles, a participative technique that allows employees to have input into issues at work (Pereira and Osburn, 2007). These opportunities must occur frequently, and employees must be aware that they can participate in decisions regarding demanding customers if the goal is to form a climate in which employees understand that participation is an available and essential resource (Pereira and Osburn, 2007; Weber et al., 2020).

Strengths, Limitations, and Future Research

The present study has some notable strengths, but as any study, it also faces limitations. While we discussed the motivational potential of job resources and the resource depleting and emotionally exhausting effect of job demands to build the theoretical arguments, these were constructed based on previous research and the postulates of COR, SDT, and JD-R theories, and the underlying mechanisms were not explicitly tested in our model. Research on JD-R theory has frequently relied on other theories to provide explanations for underlying psychological processes (Schaufeli and Taris, 2014). A fully supported integration can happen, however, only if future research also empirically tests the postulated mechanisms, including need satisfaction, energy depletion, and exhaustion alongside other resources that are subsequently generated by the postulated resource caravan passageway, as mediators.

The main strength of our study resides in the multi-level design, which takes into account the inherently nested structure of organizational phenomena and tackles the issue of non-independence of observations that can potentially bias estimates (Raudenbush and Bryk, 2002). However, a challenge in multi-level models is to find a large enough sample to reach predicting power at the higher levels. In this study, there is a relatively large sample size on both levels. Still, all departments are nested in one organization, which increases internal validity by eliminating potential differences regarding organizational procedures and rules that employees follow in different organizations when they face uncivil customers. However, the gain in internal validity inevitably comes with a cost in terms of external validity and generalizability of results, which warrants caution in applying our findings to other types of organizations and work contexts beyond the retail industry and shop workers.

Another limitation that warrants discussion ties back to the cross-sectional and self-reported nature of the data, limiting causal inference. Still, in a research domain where obtaining an adequate sample size on the higher levels is a challenge, longitudinal and experimental designs are challenging to implement, especially when the goal is to collect real-life field data

from employees, as we did in this study. Second, the participation climate measure can spur discussions regarding the level that the construct resides on. For the most part, there is no clear consensus regarding the level of the participation construct, nor explicit discussions about whether it can most accurately be observed and measured (Kozlowski and Klein, 2000). What we assert is that a formal structure and work practices need to be in place to encourage employees to participate, but based on the emergence literature, without the individual influence that the worker exerts in decisions and the communication processes through which this resource is shared among co-workers, participation climate is unlikely to form (Kozlowski et al., 2013). This close interplay between top-down and bottom-up processes in organizations is complicated to capture and study. Some researchers might justly underline that measuring individual perceptions of participation and aggregating them to the unit level does not entirely capture the climate construct. However, the emergence literature is clear about the assertion that shared unit properties like climate can be constructed by composition models from data that is collected at the individual level. Sharedness within the unit can be evaluated through assessing within-, and between-unit variance and reliability (Kozlowski and Klein, 2000), which we carefully considered in this research. Future multi-level studies can better capture climate by more complex measures and composition models (i.e., referent-shift consensus models; Chan, 1998).

CONCLUSION

This article showed that offering supervisor support and creating a work-unit climate that encourages and values participation can aid employees in dealing with customer incivility. Most importantly, not only the one-to-one support that an employee receives from a direct supervisor can maintain job satisfaction but shared understanding that one can participate in decisions that are being made in the work unit can be a source of protective resources that help the employee cope better and be satisfied with a front-line job that exposes individuals to a considerable amount of perceived incivility.

DATA AVAILABILITY STATEMENT

The data analyzed in this study is subject to the following licenses/restrictions: The raw data supporting the conclusion of this article is protected by GDPR and other data privacy reglementations and legislations in Belgium that apply to the Monitoring and Statistical Consulting Company which collected the data. Requests to access these datasets should be directed to ZP, zselyke.pap@e-uvt.ro or GN, Guy.Notelaers@uib.no.

ETHICS STATEMENT

Ethical review and approval was not required for the study on human participants in accordance with the local legislation and

institutional requirements. The patients/participants provided their written informed consent to participate in this study.

AUTHOR CONTRIBUTIONS

ZP, DV, and GN contributed to the design, choice of theories, and elaboration of hypotheses. GN collected and cleaned the data. DV contributed to the construction of arguments and coordinated

the writing process. ZP did the analyses and produced the manuscript. Hence, all authors contributed to the article and approved the submitted version.

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