

Employee-ownership: Exploring the Potentials of Practicing a Democratic Ideal

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Abstract

The recurrent focus on democratic organisations moves beyond ideological framings and employs a broader focus on democracy and employee-ownership as foundation for more resilient businesses, increased work-life satisfaction and as potential for democratizing labour and economy. However, there is in general a lack of qualitative studies that widens the understanding of such democratic organizations, and the inherent tensions and dilemmas of such, at a micro-level. Based on a qualitative case study across Italy, Spain and Denmark, this article explores and reveal the *interplay* between how employee-owners experience democratic organizing as practice, and how this is related to ideas of the good work-life and ideals that reach beyond the workplace itself. These findings lay the ground for discussing employee-ownership as a possible way to alter current perceptions and understandings of, not only what a business is and can be, but also of how to democratically organize for a sustainable future.

Keywords: employee-ownership, democratic organizing, work-life, democratic businesses

1. Introduction

In current times of crisis, or alertness, relative to so called “wicked” societal problems, rising inequality in most Western societies and democratic regression, new approaches to organizing and citizen mobilization are looked upon. At a macro level there is now a concern with creating resilient and sustainable financial, ecological, and social structures, and at a micro level organization of the work force and ideas of what constitutes a meaningful life is increasingly in focus. In this light, democracy as both practice and ideal reveals how the balance between the right of the individual and the moral obligation to the collective might be found.

Thus, novel forms of organizational structures are emerging in western countries, herein a revival of democratic organizing of work (Tischer et al., 2016). Both the more well-known forms of democratic organizing such as worker cooperatives (Wilson & McLean, 2012) and fully or partly employee-owned companies (Blasi, Freeman & Kruse, 2013), but also new forms that are not necessarily cooperatives as legal units, but rather democratic in their functioning and principles are now increasingly established (Battistelli, 2019). The revitalization, and legitimacy, of such new and existing forms of employee-owned businesses is to a large degree based upon several documented positive features, based on key performance indicators of traditional businesses: higher productivity, resilience in times of crisis and work satisfaction (Mygind & Poulsen, 2021).

In addition, democratic organizing and employee-ownership offer a new (de-)growth agenda (Buch-Hansen & Carstensen, 2021) and understanding of what being a successful business entail. Inherent in this turn towards democratic ideals, not only at a societal level, but also in the way labour is organized are normative ideas of equality, participation, and sustainability. These positive connotations relative to employee-ownership and democratic organizing seem to be increasingly linked to a more transdisciplinary and trans-ideological approach, where no single political ideology or sector ‘owns’ the agenda (Courpasson & Dany, 2003). The shared normative principle is instead the idea of democracy in itself – profoundly based in Western thought. Democracy as megatrend therefore seems to encompass both *the development towards more human forms of governance and*

new forms of businesses (Dufays et al., 2020).

However, it is acknowledged that there is in general a lack of qualitative studies (Brown et al., 2019; Bryer, 2019), to widen the understand of the positive facets of employee-ownership, and to obtain empirical insights on inherent tensions and dilemmas of such (Dufays et al., 2020; Tischer et al., 2016). The article addresses this call through the following research question: *How is democratic organizing experienced and constituted among employee-owners, and what transformative potential is democratic organizing and employee-ownership perceived to hold?*

To empirically explore and answer the research question a holistic multiple case study of the phenomenon was conducted. The outset for the study is the “ideal” types of democratic organizations, that is, employee-owned and driven businesses. The data material encompasses seven expert-interviews and interviews with informants from 20 different employee-owned businesses, based on the principle ‘one member, one vote’, positioned in Italy, Spain and Denmark. The analysis and discussion focus on both the individual and collective aspects of democratic organizing as ideal and practice, and how these relate to and reinforce democracy as mega-trend, while also questioning how democracy might be outlived.

The article is structured as follows: firstly, the theory base is introduced: employee-ownership and democratic organizing besides democratic theory. Following this, the research methodology is described, and the analytical results presented. Finally, the main findings are discussed, herein future research avenues, before concluding remarks are given.

2. Employee-Ownership and Democratic Organizing as Current Phenomenon

There are different ways of defining, and moreover, articulating democratic organizing – some scholars apply the notion in itself, whereas others apply the term employee-ownership (Blasi, Freeman & Kruse, 2013) or alternative organizing (Bryers, 2019; Reedy, King & Coupland, 2016). Despite these variations referring to either the way of organizing or the ownership structure, it is widely agreed upon that key features are related to degrees of ownership and decision-making processes. A recent overview of these organizational characteristics of such organizations is proposed by Diefenbach (2019):

- *Private collective ownership:* All members are owners of the organization, or at least have owner-like status and corresponding equal rights and legal entitlements (e.g., profit-sharing, rights of information, participation in decision-making, management and control of the organization).
- *Democratic decision-making:* All members have equal formal rights and actual opportunities to participate in strategic and operational decision-making (either directly or via representatives).
- *Non-hierarchical modes of organization and management:* Either there is no hierarchy with no superior–subordinate relationships (heterarchy, network organization), or managers are mere representatives, democratically appointed and controlled (Diefenbach, 2019: 553).

Based on the above Diefenbach defines a democratic organization as:” a *non-hierarchical organization owned, managed and controlled (directly or indirectly) by all of its members on the basis of equal rights and opportunities, especially with regard to corporate governance, democratic decision-making, management and profit-sharing*” (Diefenbach, 2019:553).

These key features of democratic organizing are now pushed forward as an alternative to traditional organizations and businesses - partly based on several documented positive qualities (Basterretxea & Storey, 2018; Mygind & Poulsen, 2021; Knudsen, Busck & Lind, 2011). First, employee-owned companies have by numerous studies been proved to be as productive, or even more than typical firms (Blasi, Freeman & Kruse, 2013; Poutsma & Ligthart, 2017). Moreover, the higher productivity does not on average come at the expense of longer working hours or lower salary, but instead seems to improve the economic situation of the employee-owners (Jørgensen, 2020). Second, as a possible result of the higher productivity and a higher degree of employee flexibility when it comes to pay and workhours in times of crisis, employee-owned companies are shown to have a higher degree of resilience and stability than comparable firms (Kurtulas & Kruse, 2015). Third, it is acknowledged that for employee-ownership to be successful in economic terms it has to be broad (the percentage of employees in the company that are also owners), deep (a measure of the monetary size of the individual and collective share of employees in the firm) and include a high degree of democratic participation (Blasi, Freeman & Kruse, 2013). Still, an important aspect is that ownership does not always seem to have an isolated significant effect on performance. Only when ownership is combined with participatory governance is the effect significant across studies (Blasi, Freeman & Kruse, 2013). Also, the effect is further strengthened when combined with collective profit sharing, i.e., organizational research stress that inclusion of employees in the

process of governing the company on a local and more general level can result in financial gains. An effect, which is considerably bolstered when combined with ownership. Finally, work satisfaction in employee-owned companies score higher than comparable companies, and especially in companies with a significant degree of employee-ownership employees seem to be more motivated, more willing to share their knowledge with colleagues, more innovative and more willing to make a greater effort (Blasi, Freeman & Kruse, 2013).

2.1 Exploring the 'Democratic' of Democratic Organizing

Behind the factual structure and practices of democratic organizing are different thoughts and ideas of what constitute the democratic aspect - which are linked to perceptions of the democratic ethos, the distinction between the individual and the collective, and the public and the private sphere.

A key distinction in democratic theory is that between aggregative and deliberative democracy. Aggregative democracy refers to a certain governance mechanism, where preferences are aggregated and hence the act of voting becomes central in understanding democracy (Habermas, 1996). As such representation is perceived key, since the objective of democratic decision-making is to choose the leaders, or board members, that best represents these preferences (Young, 2000). Nevertheless, it is a sort of democracy which does not imply any democratic engagement or virtues by citizens besides the voting act. On the contrary, deliberative democracy emphasize the *formation* of political opinion, preferences and will as fundamental – created through practical performative deliberation (Habermas, 1996). This more participatory view of democracy implies that citizens take active part in decision-making and deliberation, and therefore inclusion of the affected actors becomes central. Currently, several scholars of democracy emphasize that the idea of 'the common good' is under pressure leading to democratic crisis. To exemplify, Son (2020) states that participatory and deliberative democracy suffer from instrumentalism; deliberation is now mainly a platform for agitating aggregated individual needs, where the individual uses democracy as instrument for private interests. The implication is that collective decisions become based on needs of the ones with power and competence to mobilize a collective, which unavoidably advantage some while disadvantaging others (Son, 2020). To counter these tendencies of democratic defeat, or fatigue, Son argues for democratic responsiveness as democratic virtue – such 'democratic attunement' is not solely perceived an ethical ideal but is rather interactively and discursively conditioned. In this manner the normative criteria which guides certain decisions and create sites for such processes to emerge and be upheld become key elements of collective sovereignty (Son, 2020).

Cumbers, McMaster, Cabaço and White (2019) further argue that collective agency is linked to a reconfiguration of economic democracy. They see the individual's right to govern its own labour and to engage and participate in economic decision-making as crucial – implicating that ownership of the product of work takes precedence over private property rights. Relative to workplace organizing, they stress that even though social movements and cooperatives might be structured around democratic principles they do not necessarily sustain such democratic engagement in economic action (Cumbers et al., 2019). Thus, they advocate for establishing a more profound linkage between individual economic rights and collective action focusing on equality and securing social justice. Accordingly, Cumbers et al. suggest three underlying and interconnected prerequisites for establishing economic democracy: "*The rights to own and control one's own labour; the right to participate in economic decision-making; and, a public sphere that facilitates a democratic process by encouraging diversity tolerance and alternative economic prospectuses*" (Cumbers et al., 2019:17). These aspects of economic democracy are perceived key in negating the strong development in most Western countries towards still more unequal economic distribution of wealth and income (Piketty, 2014).

2.2 Potential and/or Pitfalls of Employee-Ownership

Where the positive traits of employee-ownership and democratic organizing have been documented and researched in-depth, now the debate is extended to the potentials, but also pitfalls, relative to the democratic *ideal* itself. Especially since it is argued that there is quite little and deep explanatory evidence of causal relations between the ownership form and the widely referred to positive outcomes (Basterretxea & Storey, 2018). To exemplify, Tischer, Yeoman, White, Nicholls and Michie (2016) stress that the existing evaluation criteria are mainly based on quantitative parameters and are hence focused on traditional perceptions of market success or failure. In this manner the focus on how and with what employee-owned businesses contribute becomes instrumental and narrow leaving out the democratic potential – also in a wider societal context. Therefore, they argue for a broadened evaluative framework, which also includes the values and normative principles of these diverse organizational forms, e.g., democratic accountability, opportunity for meaningful work, support of mutual/self-respect and support of wider citizenship (Tischer et al., 2016). This perspective calls for an exploration of the relation between workplace democracy and societal democracy, and how this is managed at a

micro-level (Varman & Chakrabarti, 2004).

Besides, the focus on broader and more contextualized evaluation criteria of employee-owned businesses, the governance structures are also under critical scrutiny. Here there are some of the same concerns relative to the current inherently positive understanding of such organizations. The critique is concerned with how, and if, such new relationships among employees and organizations, and types of organizations, in fact and despite of the positive facets, support a profound status quo of the logics of capitalism or if they might be able to alter systemic structures of organizing and work (Brown et al., 2019; Tischer et al., 2016). In other studies, focusing on belonging or sense of community, the point is on the contrary that deliberation about organizational vision, budgets and practices are based on an acknowledged importance of the relationship between all actors – that the relationship is worth pursuing not only for the sake of the collective, but also for the individual (Bryer, 2019). Therefore, alternative, and herein democratic, organizations are argued to offer a platform for outliving the relation between certain normative ideals, self-organizing and identity-building in the context of the workplace community (Reedy et al., 2016; Alivin & Sverke, 2000). A likely argument, based in a Habermasian approach, is that cooperative forms of organizing might resist colonization of the human life-world by institutionalizing democracy at work and hence create platforms for communicative action (Dufays et al., 2020).

3. Material and Methods

To empirically investigate the phenomenon under scrutiny a holistic multiple case study was employed (Yin, 2014). The study is holistic since it is based on a single unit of analysis, and multiple due to differing contexts in which the phenomenon is explored (Yin, 2014). In the research at hand the case study encompasses a pre-study based on expert interviews and a main study based on in-depth interviews with representatives from case organizations across Denmark, Italy, and Spain.

In the pre-study seven key researchers within the field of democratic organizing were selected as experts. Expert interviews are a certain form of semi-structured interviews, where the informants are not chosen due to a specific role but are addressed because they possess distinct knowledge about a particular issue, and hence are seen as capacities in their fields (Flick, 2016). In the current study the expert interviews were used with the aim of exploration and orientation relative to the theoretical constructs connected to democratic organizing - to guide the structure of the research. Based on a comprehensive meta-study of theoretical and quantitative research in the field of employee-ownership (Jørgensen, 2020), four highly profiled academic scholars were chosen and consecutively used for ‘snow balling’ (Bryman, 2016) the last three experts. The insights from the pre-study acted as backdrop for the main study; both relative to developing the question guide and in creating case selection criteria.

To get as nuanced an understanding as possible case selection criteria were centred around the following: well-established and more recent established businesses based on employee-ownership, acknowledged as ‘best practice’/role models in their respective homelands. Also, both older and more established businesses as well as cooperative entrepreneurs were selected. It is estimated that most of Europe’s employee-owned businesses are to be found in Italy and Spain with a particular concentration in the region of Emilia Romagna in Italy and the Basque country in northern Spain (Mygind & Poulsen, 2021). Italy has the most elaborate systems of cooperative laws and a wide-ranging national support network for cooperatives of which the biggest is Lega Coop. In the Basque country the worker cooperative movement was autonomously created as an answer to local economic distress and not in collaboration with national legislation - which only came afterwards. These differences apart, Spain and Italy have a high concentration of manufacturing employee-owned businesses, which have also been the primary informants of this investigation. Spain and Italy’s cooperative heritage stands in stark contrast to the Danish history and current affairs, which have seen very little development of worker cooperatives (Grelle, 2012). But, since the financial crisis in 2008 a few worker cooperatives build on services, consultancy and knowledge work have been established and both political and academic awareness is rising (Nielsen et al., 2021, Jørgensen, 2020; Mygind & Poulsen, 2021).

In this way focusing on cooperatives in Italy and Spain alongside Danish businesses, the national varieties in work culture and traditions act as background to explore the more essential characteristics of working in an employee-owned and democratic organization. In a European context, the cases are somewhat paradigmatic since they might present the standards for future likely or upcoming cases of employee-owned businesses (Flyvbjerg, 2006).

3.1 Data Collection

The main data collection methods for the study are semi-structured interviews (either individual or in groups) and observations. The question guide for expert interviews was highly explorative to get a grasp of how the

phenomenon has been and is theorized (Hansen & Madsen, 2019), to identify the main analytical constructs of the field, and to get insights on some of the empirical cases that lay the ground for the theoretical literature base. These initial insights were used to develop the question guide for the interviews of the main study, which centred around organizational structures, understandings of participation and democratic ideals.

Interviews were held in 20 different organizations with 23 informants altogether. In recruiting for interviews both top managers (in cases displaying such a role), and employee-owners were chosen as informants. In this manner perceptions from different organizational levels were covered. In addition to the interviews a number of observations, focusing on the ambiance and physical surroundings, were done and documented. All interviews of the study were conducted face-to-face during the period of 2016-2019. Follow-up sparring with some of the experts of the pre-study were conducted in 2021 to validate and further discuss the identified themes in data. In the analysis also document materials from each organization were integrated, both as supplement to the analytical insights and as background resources. Table 1 gives an overview of the data material collected.

Table 1. Overview of data material

Type of data	Context: Italy	Context: Spain	Context: Denmark	Context: Academia (US and Europe)
Expert interviews				Seven interviews with key researchers in the field of employee-ownership and democratic organizing
Individual interviews	Four individual interviews with employee-owners Five individual interviews with top management	Five individual interviews with employee-owners	One individual interview with employee-owners	
Group interviews	Three group interviews with managers and employees	Three field visits and observation on site.	Two group interviews with employee-owners	
Observations	Three field visits and observation on site.		Three field visits and observation on site.	

3.2 Analytical Strategy

All interviews were transcribed and analysed focusing on perceptions and experiences. To ensure transparency in the analysis the conceptual construct of emic and etic perspectives was applied (Harris, 1976). Emic refers to the perspectives of the informants, that is, the accounts identified in data, whereas etic refers to the analytical perspective of the researchers, that is, the theoretical lenses through which the emic accounts are approached (Harris, 1976; Silverman, 2006). Accordingly, data were subject to a thematic analysis consisting of three main steps. First, emic themes were identified across data material. These themes summarized what was at stake to the informants and how it was articulated. The themes were clustered as 12 first-order categories presenting the key constituents of the data. The next analytical step was to identify the interconnectedness and patterns between the categories through the emic perspective of the researchers, which led to six second-order categories. Lastly, the researchers organized the second-order categories into three analytical themes. See figure 1 below.

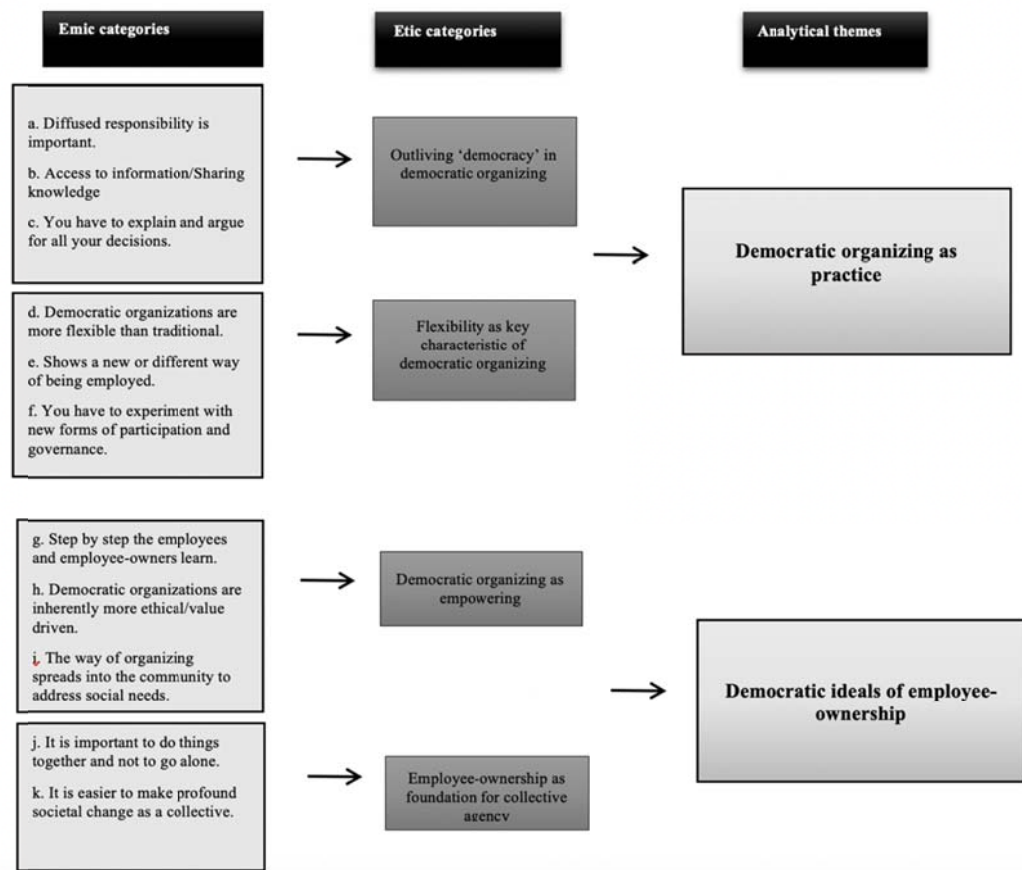


Figure 1. Analytical process

During the different stages of the analytical process the researchers followed an abductive approach going back and forth between methodology, data, analysis, and the theory base. By letting the insights emerge in such an iterative process the researchers aimed to provide broader and deeper realizations concerning the studied phenomenon.

4. Results

The analysis is centred around the following two analytical themes: 1) Democratic organizing as practice, herein how the notion of 'democracy' is outlived and what the key characteristics are from an actor perspective, and 2) Democratic ideals of employee-ownership, herein perceptions of how democratic organizing is empowering and creates a foundation for collective agency.

4.1 Democratic Organizing as Practice

Democracy is a specific governance paradigm, which is especially outlived and managed in employee-owned businesses. Data reveals some variations connected to the history of the organizations. In a Danish context the case organizations are primarily more recent businesses and hence the informants refer to their own start-up phase, and how they have managed to establish a democratic-set-up, whereas the case organizations from Spain and Italy are mainly cooperatives with a longer history of democratic structures and management.

4.1.1 Outliving Democracy in Democratic Organizing

All case organizations are based on the overall characteristic 'one member/employee, one vote'. In its most narrow democratic form this is meant to ensure distributed and equal power despite your role and share in the organization. But still, it does not necessarily mean that every organizational concern is object for voting. The 'degree' of democracy is rather related to supportive structures that enable qualified voting procedures - especially regarding the access to and sharing of information and ensuring platforms for deliberation. The variations across organizations in this regard are related to size and age; in the younger organizations formal structures have been in focus from the beginning - but not only relative to being a democratic organization, also relative to what key issues could become challenging - e.g., how to hire/fire and how to agree on salary level (particularly in organizations with equal salary). In the more mature organizations, the structures are somehow at

place, and thus the focus is rather on formal training of newcomers and on securing a continuous discussion of the democratic procedures. In other words, the young organizations are creating democratic structures, while older organizations are maintaining and to a lesser degree recreating them.

The employees are acting not so much as individual agents but as members of a tightly knit democratic community, which they see as a goal in and of itself. “*Down with pay and up with job satisfaction*” one senior employee-owner would say to most common meetings. This however holds an important truth. Especially the informants from Italy and Spain seemed to see their job as the foremost place where they (all citizens of democratic countries) practiced and experienced real democracy. Such “real” democracy, despite tinted at times, seemed much more ideal than the democratic practices of the constituent democracy they had been born into. This does not mean that democratic practices were implemented easily in the organizations, as several informants across nationalities, mention the challenges with a slow decision-making process and maintaining democratic structures as the organizations grew.

The process of maintaining or developing and experimenting with power and decision-making processes are at the same time seen as a confirmation of the very democratic fabric of the organization. Obstacles and tough negotiations were among informants understood as key in performing democracy, and a work-life without these difficulties would seem less legitimate in the eyes of the informants. In the same vein, to many of the informants that had formerly worked in non-democratic companies the position of “power” or influence seemed to them especially important. They put great emphasis on sharing the traditional responsibilities among more people and having a very high degree of diffused self-management practiced as team autonomy or “quality circles” where key decisions of everyday work are made. Hence, decisions concerning the immediate work-environment are very much determined by the particular employees working at this level - sometimes to such an extent that discussions on autonomy and coordination was often brought up on information meetings or other governmental organs.

Whereas the smaller organizations are more directly democratically governed, often the larger organizations adhere to a more representative governance structure. In the latter democratic decision-making processes among employee-owners are mainly practiced through the act of voting once a year - to fill the board and/or to vote on important strategic decisions. This process was also practiced in the former, but the formal once a year general meeting was often seen as a mere formality, since the everyday democratic practices take on a much more important role. To maintain such an environment of equal influence most organizations have strict practices where fundamental economic and strategic information are widely accessible. This is ensured by weekly or monthly meetings where important stats are shared with all employees. Moreover, to warrant that employees can contribute, the understanding of e.g., complicated financial information for employees with no relevant background is often solved with repetitive training programmes.

4.1.2 Flexibility as Key Characteristic of Democratic Organizing

Flexibility is perceived a very tangible element of being employed in a democratic organization. At a practical level flexibility means that the informants are able to e.g., change their main work task, change organizational role within the same organization and influence the degree of work load relative to changes in organizational or personal conditions. Thus, all informants alike are mentioning a particular sense of flexibility that they find are ‘only’ or mostly found in cooperative and democratic forms of organising. An Italian employee-owner narrates how he experience working in a cooperative as opposed to his former job in a traditional production company:

‘The biggest difference is the fact that I did only one or two kinds of different work. I felt a little bored. When I came here the first advantage was the possibility to do a lot of different activities. I now feel prouder and the work is more gratifying’.

This kind of flexibility is both related to the experience of access to a plurality of work-related activities, often not available to the particular professional group, and to the empowerment to choose between them. Flexibility is moreover, as the quote reveals, linked to an experimental culture both in terms of common work activities and democratic decision-making. Across data it is evident, that it is perceived important to experiment with e.g., new forms of participation. Since dialogue and deliberation are perceived key in managing the organization, it may create a different kind of openness/attentiveness towards the needs, ideas and opinions expressed by individuals. Also, the diffused responsibility in the organizations might explain the experience of flexibility; as the responsibility for the decisions made are shared, and everyone gains from it being a success it becomes less risky to propose and engage in new practices.

Another aspect of flexibility, expressed by the informants, was how flexibility is articulated as not only to the benefit of the individual but also organizational beneficial – this is especially expressed as the ability to respond

to changes in the market. Being democratically organized coupled with the characteristic of flexibility in this sort of organizing is among informants perceived the reason why they are capable of handling changes in exogenous conditions and herein pressure from the market. This seems to enhance the feeling of job security as contrary to the prospect of working in an externally owned organization or working freelance - as the co-owner in a Danish coop recounts: *“We wanted to create (a work space) that brought freedom, security and work satisfaction at the same time”*. They only saw this happening under the umbrella of a democratically organized business. These experiences and understandings of flexibility reflect the statistical documented lower staff turn-over and resilience capabilities in employee-owned businesses, but it also exposes that employee’s back up, what is perceived positive at an individual level, with the meta-stories of what democratic organizations have to offer.

As such the aspects of flexibility in democratic organizations relates to ideas of what constitute a good work life; the ability to influence the workplace and the work tasks themselves. Across data the experience of good working lives is founded in features of the work contract and conditions, while also being positioned in normative ideals of work lives that are sustainable, that is, does not undermine the individual well-being.

4.2 Democratic Ideals of Employee-Ownership

As the very notion of being democratically organized is highly explicit among actors, and in the self-understanding of the organizations, it is relevant to further explore what the underlying perceptions of democracy are, and how these are pushed forward as certain democratic ideals.

4.2.1 Democratic Organizing as Empowering

The experience of being democratically in charge of your own labour is an aspect of democratic organizing that most informants mention as a particular characteristic they cherish. It seems to purvey a feeling of freedom to control their own (work-) lives. This however is conveyed in a collectivist fashion, since this feeling of freedom is at the same time coupled to a sense of belonging and being part of something that reaches beyond individual interests. This explicit focus on and articulation of values relative to the good work-life become a way for the informants, across countries, to make clear how they navigate between their individual set of values and those of the organization. Despite differing notions of what these value sets encompass, there are some shared perceptions within data.

Particularly important is the notion of community. On the one hand community is related to the importance of “not to go alone”, which is to say two things. Firstly, that as an individual you can feel and act in a different way when you strive for common goals within a community. You are now not any longer alone in the existential meaning. You are acting and working together towards a joint objective as contrary to only working towards private gain and goals such as furthering your career or increase in salary. As an Italian export manager stresses: *“You do bigger things when you work together”*. A statement backed-up by a Danish entrepreneur when talking about establishing as a group of knowledge workers in an insecure job market:

‘A lot of freelancers have the freedom of work, but are very stressed out and are without job satisfaction. We have used two years to become robust, but it has been extremely fun and today we both have a high degree of freedom and job security’.

Secondly “not going alone” seems to refer to the acknowledgement that if you want to change existing conditions, be that private or societal, your room to manoeuvre increases when acting in and as a collective. This does not necessarily mean that the goals are only external to the individual, as they can be singular goals which at the same time are general. Among informants the feeling of community is connected to a motivational culture of ownership linked to democratic organizing in and of itself. *Moreover, the experience of influence, especially the way the individual may influence how the collective is engaged in shared goals, is perceived an important factor for raising work morale through such feeling of ownership: “I feel like I own everything here”, as a Spanish employee-owner at a factory with several hundred employees states. The feeling of ownership, to have a stake in all parts of the production process through both direct and indirect influence on decisions, seems to promote, while also reaching beyond a divide between intrinsic and extrinsic motivation: “The feeling of this as your own project is a great motivation. If it was an individual goal, you only work for yourself, and not for the company. So, it is a question of enabling collective actions” (Spanish employee-owner).*

This aspect of motivation may have explanatory power regarding the considerable literature highlighting that ownership coupled with participatory governance (influence) and full transparency (knowledge) are more productive in terms of sales per work hour. Pinpointing that the sole experience of having influence, based on access to knowledge and degree of ownership, seem to be an empowering mechanism for the individual; the power to feel, know and act out one’s potential and felt obligation as a citizen.

4.2.2 Employee-ownership as Foundation for Collective Agency

The collective aspect of democratic organizing is also linked to a wider notion of ethical concerns on behalf of not only the individual and the organization, but also the way people are organized and engaged in the world. Related, a key value among informants is the notion of democracy in itself. Democracy is perceived to offer a platform for the sort of collective agency strived for – as a certain approved way of realizing individual needs in a manner that does not erode those of your peers, and as an outset for creating and maintaining just structures based on equal rights. As a Danish manager states: *“We share a community and a responsibility. For us it is also about active citizenship. This is very much part of our DNA – that we are founded in value-based politics, and not partisan”*. Also, a Spanish employee-owner underscores: *“Any organization can democratize – it is about a new style of relations, also by and for society to create fairer and more sustainable development for humans”*.

Data shows that these individual understandings of the collective and the notion of democracy, create a need to talk up against mainstream businesses. As a Danish employee-owner reflects: *“Our vision is to create good work lives. If your ambition is to become rich, you can do that, and if it is to leave early, it is up to you”*.

Thus, at an individual level there is an urge to stress the idealistic perceptions of democratic organizing, while also emphasizing how the type of organization perform relative to more traditional businesses. In this manner the informants refer to both their subjective understanding of the underlying normative ideal they tap into and practice, and how this ideal needs to be justified through evaluative parameters linked to the market. In addition to the ideal of democracy, but also the contractual conditions, the democratic ‘ethos’ of the employee is perceived crucial for a healthy and vibrant democratic work environment. Among informants there is therefore a shared understanding that such democratic practices and their moral underpinnings are something to be taught, but also continuously trained. An Italian cooperative director recounts:

‘...they gave us a great amount of training in how to be a cooperative. It was based on three different kinds of training: how to be a board member, a member and a president. After this training the members now ask to be informed about the cooperative. So, after each monthly meeting of the board the president meets with all the members and explain them what the decisions of the board of directors are, and he asks them if there are some new ideas and so on...’

The citation underscores a shared feature among the organizations of the study; step by step the employees and employee-owners learn how to maintain and develop their democratic workplace culture. And in addition, the culture rests on the premise that the actors must explain and argue for their decisions and opinions, which therefore becomes a competence. As such, the performative aspect of democratic organizing comes to the fore in both formal procedures for training and in everyday discussions of what democratic organizing entails.

5. Discussion

From an individual and optimization-oriented work life in the 21st century, we are at a crossroad moving towards work-lives, where individual passion and the idea of the common good are closely interlinked and outlived through work. Hence, the scales are tipping towards an increased focus on community at the workplace, after a long era of an increasing individualization of the workforce (Alivin & Sverke, 2000). Democratic organizing together with employee-ownership reach beyond a traditional cooperate focus on e.g., CSR and being purpose-driven, since the work-place can be a domain for both personal and collective agency. As such, work becomes a potential place to enact institutional rights, and to create a sustainable and fulfilled democratic existence. In this way democratic organizing at the workplace may both be seen as a strong approach to securing a sustainable work-life balance and as a reaction to a troubled democracy in the 21st century.

The analysis reveals that across organizational size, age (start-ups as well as established cooperatives) and geography (Northern and Southern Europe) there are a set of shared characteristics in connection with a democratic workplace environment, all actors apply to: the possibility of outliving individual values in and through a collective, democratic organizing as ideal workplace, and the narrative of employee-ownership as opening for societal engagement and change. The study also reveals that outliving deliberative democracy is highly connected to formal structures and learning processes and moreover, that the explicit focus on democratic procedures lead to the experience that democratic organizing relative to workplace is inherently more democratic than representative democracy at a societal level. As such the informants simultaneously inscribe themselves into a meta-narrative of democratic organizing based on employee-ownership as ideal, while also outliving the ideal in practice. This double-sidedness depicts how there are some truths about democratic organizing, which are very concretely outlived, but which also help to shape *new* truths about work-lives and democratic engagement. Especially, since the study identifies how the normative constituents for employee-ownership and democratic organizing have to do with an explicit focus on values that combine individual interests and needs with those of

the collective - alongside the urge to showcase new ways of organizing, which ensure ethical production and societal concerns based on democratic principles.

Employee-ownership is as such idealistically justified by emphasizing how the organizational form supports value creation that are of good to the collective, also at a societal level and as a counter narrative to existing traditional forms of businesses. Nevertheless, individual interests are not necessarily renounced. Rather the collective and individual interests are perceived to be mutually interdependent – e.g., employee-ownership is perceived to both ensure a more sustainable work-life for the individual, while at the same time being interlinked with a sense of belonging to a community and the ability to take joint action on behalf of the collective. Hence, the traditional divide between materialist and postmaterialist values (Inglehart, 1977) are somehow diminished since economic and physical security are deeply entangled in visions of both individual autonomy and collective agency.

Returning to the current debate in literature, it thus seems relevant to further discuss the range of societal change, that such forms of organizing might offer. The cases at hand are not unequivocal in this regard; most informants refer to the democratic ideal of employee-owned businesses, as potentially altering existing structures. But since the cases of Italy and Spain are mainly older cooperatives, they seem to expand and maintain their inner logic and regional anchorage, rather than pushing the boundaries of future forms of organization at a societal level. The Danish cases are mainly start-ups and Denmark is thought to retain one of the lowest percentages of employee-owned and controlled organizations in Europe (Cooperatives Europe, 2013; Mygind & Poulsen, 2021), which is why they are primarily to be seen as *triggers* for a current national debate on developing support structures for such forms of organizations.

Still, it can be argued that employee-owned and democratic-led organizations hold the potential to create transformative changes in society by democratizing economy and labour, due to the global economic and environmental challenges - which imply an urgent call for doing something else than ‘business as usual’. This might open a crack in the embedded societal structures that enables employee-owned businesses to become more than an alternative, perhaps even mainstream. Especially, if they are catalyst for a profound break with the existing economic growth paradigm, which Rosa (2019) stresses is based on shareholder value creation and a resource optimization terminology (Rosa, 2019). In this manner employee-ownership might propose a platform for spurring a dialogue on what the democratic ideals of democratic organizing entail, herein a re-distribution of economy, labour, and power. In continuation, it can be discussed if democratic organizing in the workplace is a way of giving what Habermas calls the ‘life-world’ a more solid and functional position inside the market system (Dufays et al., 2020). And moreover, if democratic practices are a relatively stable mechanism that might convincingly invoke and maintain the life-world qualities in the workplace (traditionally market system), due to the on-going negotiation between what is to be part of the democratic process and which elements should be automatized/systematized. Down the same line, it is somewhat surprising how such a system-lifeworld hybrid of a democratic workplace has on one hand been shown to be both economically efficient and stable on the market and on the other, as this study suggest, be able to instil the participants with meaning and an assessment of democratic legitimacy of the organization that seems to overshadow the concrete value of national political democracy. An insight, which seems to hold true across European democracies, culture, and organizational size.

An important awareness when studying and theorizing employee-ownership which also outline future research avenues, is the blind spot of democracy as mega-trend; employee-owned businesses are still highly ideological in the sense that the organizations inherently praise democracy as ideal form of governance. In addition, an apparent limitation of the study is the European context and the ideology of Western democracy, leaving out other forms and perceptions of democratic organising. Thus, future research might further explore the ‘boundaries’ of democracy relative to underlying assumptions and practical organizing - at both an individual, organizational and societal level, alongside expanding the geographical context. Not solely to challenge democratic ideals, but to ensure a practical and theoretical openness towards new forms of organizing for a sustainable future, which are yet to be seen.

6. Conclusion

The study of the article is based on the following research question: *How is democratic organizing experienced and constituted among employee-owners, and what transformative potential is democratic organizing and employee-ownership perceived to hold?*

Through a holistic multiple case study, encompassing 20 organizations across Denmark, Italy and Spain, the study revealed how the informants across countries and organizations all adhere to the same narrative of employee-ownership. A narrative, which includes three layers: 1) as offering the possibility of outliving

individual values in and through a collective work place, 2) as increasing the room for agency at both an individual, organizational and societal level, and 3) as proposing a vision for future democratic structures reaching beyond political democracy. As such the study pinpoints the transformative potential inherent in rethinking business, work-lives and distribution of power. Thus, it can be argued that employee-owned businesses based on democratic forms of organization are offering an alternative mindset and framework for collective organized work lives and businesses, while their role as radical ‘change agents’ are still to be realized.

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