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Monitoring Colleagues at Work: Profit Sharing, Employee Ownership, Broad-Based Stock Options and Workplace Performance in the United States

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Abstract

This study seeks to increase our understanding of worker reactions to shirking by analyzing two new questions on shirking from the 2002 General Social Science Survey (GSS). We developed the questions in order to illuminate the factors that enable some shared capitalist enterprises to overcome the free rider or 1/N dilemma. Our guiding principle is the notion that for profit-sharing, worker ownership, and broad-based stock options to produce economic benefits, workers must "buy into" shared arrangements and create a workplace culture that discourages shirking.

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Worker Responses to Shirking

"Buddy – get to work, you're taking money from my pocket"
– archetypal worker in team production

What do workers do when they see someone slacking off in ways that reduce the productivity of their work group and enterprise?

The rational response depends on the circumstances. In a tournament race for promotions, having a competitor slack off is good news. You don't have to go all out to win the promotion. Cheers for the shirker. In a piece-rate pay system where the firm lowers the rate per piece when workers produce more than expected, you will also welcome the shirker. The more other workers shirk, the less likely will management lower the rate per piece and make it harder for you to earn your weekly pay.

By contrast, when part of workers' pay comes in the form of profit-sharing or share ownership or stock options, a worker who does not do his or her job takes "money out of your pocket". You'd be better off if someone took action against the shirker. But standard analysis suggests that it will rarely be rational for anyone to intervene. The full costs of reading the riot act to the shirker fall on the intervener but only part of the benefit accrues to them (in an N worker group the worker who intervenes gains only 1/Nth of the benefit going to workers and none of the benefit that goes to capital). The implication is that rational workers should not act against a shirker just as rational players should not cooperate in a prisoner's dilemma game.

The facts are different. Experimental economics finds cooperative behavior in all sorts of collective goods games when game theory rationality predicts that the rational player defects. Theoretical models of cooperative behavior stress the role of players who voluntarily "police" cooperation by sacrificing some payoff to penalize those who defect from the cooperative solution. As the putative worker quote indicates, many workplaces develop cultures where workers discourage shirking. Indeed, widely used forms of workplace arrangements, such as team production and group incentive plans, can succeed only if they overcome the free riding problem and stop shirking behavior. Since workers often have better information than management on what fellow workers are doing, worker responses to shirking are critical to the success or failure of these schemes.

This study seeks to increase our understanding of worker reactions to shirking by analyzing two new questions on shirking from the 2002 General Social Science Survey

(GSS). We developed the questions in order to illuminate the factors that enable some shared capitalist enterprises to overcome the free rider or 1/N dilemma. Our guiding principle is the notion that for profit-sharing, worker ownership, and broad-based stock options to produce economic benefits, workers must "buy into" shared arrangements and create a workplace culture that discourages shirking. The special segment of the GSS also included several detailed questions on shared capitalist programs.

The first new question that we entered onto the GSS asked workers about their ability to detect the performance of other workers at their workplace:

In your job how easy is it for you to see whether your co-workers are working well or poorly? On a scale of 0 to 10 please describe with 0 meaning not at all easy to see and 10 meaning very easy to see

If workers cannot detect shirking, it is impossible to imagine them monitoring co-workers and developing peer pressure against shirking, so the responses to this question define the feasibility of employees taking a lead role in reducing shirking.

The second question asked how workers would respond to seeing another employee shirk. It used a three-part design.

If you were to see a fellow employee not working as hard or well as he or she should, how likely would you be to:

A. Talk directly to the employee;

B. Speak to your supervisor or manager;

C. Do Nothing

We recognize that a better research strategy for determining employee responses to shirking would be to conduct a random assignment experiment in which we placed shirkers in different workplaces and observed what workers did. But there is almost no chance that firms will cooperate with such a design. Absent a controlled experiment, we chose to use survey analysis to gain insight into worker reactions to shirking in the real economy.[1] While people may not behave exactly as they say they would on a survey, survey responses generally correlate well with behavior, which explains their widespread use. In our case and in most surveys respondents have no incentive to lie about their expectations of what they

[1] The other way we might get insight into responses to shirking would be to conduct an experiment in a laboratory setting.

would do, so that at the minimum, the new questions should accurately measure how workers think they would respond to situations in which they observe shirking.

We begin our analysis of the new survey questions by describing the distribution of responses to the questions and the interrelations of responses among the questions. Then, we examine the characteristics of workers associated with different responses to the questions. Finally, we estimate how responses vary across firms that offer workers different financial incentives, workplace participation arrangements, and employee-management relations.

Our principal findings are:

1. Most workers believe that they can readily detect shirking by fellow employees.

2. There is wide variation in the extent to which workers say they will act to discourage shirking. Workers who are younger and less educated and in small firms are more likely to act against shirkers than other workers, but most of the variation in acting against a shirker occurs within demographic groups.

3. Organizational factors affect worker responses to shirking. Workers are most likely to take action against shirkers in workplaces where employees are paid by profit sharing or gain sharing, and where they participate in decisions or work in team settings.

4. There are some intriguing interactions among the determinants of taking action against a shirking co-worker. Workers are more likely to take action when they trust management/have good employee management relations **and** have some form of profit - or gain-sharing or grants of broad-based stock options than in other situations.

The bottom line message from our analysis is that shared capitalist arrangements, in which firms share rewards and decision-making with workers and have good labor-management practices, encourage workers to act against shirking behavior and thus to reduce the tendency to free ride that risks loss of productivity.

Theory

A number of theorists have recognized that an important cooperative solution exists to the classic free rider problem. In a review of theory and evidence on the question, Canice Prendergast (1999: 7) underlines the critical weight of this issue by writing that "Incentives are the essence of economics." The problem can be conceived as a Principal-Agent problem. Adam Smith crystallized the point by writing that "The directors of such companies,

however, being the managers of other peoples money rather than of their own, it cannot well be expected that they should watch over it with the same anxious vigilance with which the partners in a private co-partnery watch over their own" (2003). Jensen and Meckling (1976) defined the problem and discussed monitoring and pecuniary and nonpecuniary bonding mechanisms for an intervention that can help to resolve it.

As applied to various forms of shared capitalism (employee ownership, profit/gain sharing, and broad-based stock options), agency theory requires recognizing that the same Principal-Agent dilemma that affects owners and managers is also present in the relationship between management and workers, and among co-workers. In the traditional approach to agency, senior management "employees" who operate the firm on a day to day basis must decide how to divide the "incentive pie" (fixed wages, stock, profit sharing, options, etc.) between themselves and the other employees. Agency theory would suggest that this division may not necessarily be optimal for owners or fair to the other employees. (This is the problem of executive compensation.)

From this perspective, the employee incentive structure is a key mechanism in determining how the money of owners/shareholders gets spent either in the interests of maximizing profit or in the interest of redistributing wealth to undeserving employees.
Looking at employee ownership in this way requires a closer examination of both monitoring mechanisms and "non-pecuniary as well as pecuniary forms of bonding" that exist between workers and managers and among the workers themselves. The original conception of Principal-Agent theory involved the separation of ownership and control (Jensen and Meckling 1976). Examining this issue in terms of shared capitalism involves exploring what happens when various forms of control – variations in peer pressure, organization of work and the company's culture – are recombined with various forms of shared capitalism.

The 1/N problem can also be seen as a form of the "Prisoner's Dilemma" from game theory. (Rapoport and Chammah, 1965). Theorists have suggested that the Prisoner's Dilemma may be overcome by a cooperative agreement among participants (Axelrod, 1984; Fudenberg and Maskin, 1986; Weitzman and Kruse, 1990; Ben-Ner and Jones, 1995). The notion that there is a workplace solution to the Prisoner's Dilemma has been suggested by researchers (see Blasi, Conte, and Kruse, 1996; Blasi, Kruse, and Bernstein, 2003: 226-228).

In the workplace setting, this may involve developing a corporate culture that emphasizes company spirit, promotes group cooperation, encourages social enforcement mechanisms, and so forth. Workers may discourage "shirkers" through peer pressure and

nonpecuniary sanctions such as social ostracism, personal guilt, or shame (Kandel and Lazear 1991). Since the 1/N problem is lessened in small companies (which have a smaller denominator), such cooperative agreements may be easier to establish and maintain in small companies than in large ones.

Theories of agent-based computational economics look at how autonomous economic agents develop interaction networks and develop social welfare outcomes. This perspective develops a critique of "the top-down construction" of traditional economic models where the "face-to-face interactions among economic agents typically play no role" and "economic agents in these models have little room to breathe" (Tesfatsion 2002). The application of this theory to the workplace suggests that the economic analysis of the production of economic value has been overly focused on the role of the top-down managerial hierarchy without a more textured look at interactions among workers. In echoes of the corporate culture solution to the free rider problem, Axelrod (1997) has shown how mutual cooperation can develop among agents through reciprocity. Klos and Nooteboom (2001) explore the creation of interaction networks that have trust as a major component. A review of agent-based computational studies of firms in organizational theory "stress[es] the effects of a firm's organizational structure on its own resulting behavior" (as quoted in Tesfatsion 2002; see Prietula, Carley, and Gasser 1998).

Prendergast (1999: 40) discussed the limitations of four studies of the free rider problem which "simply compare different productivity of partnerships on different sharing rules without addressing why contracts vary…" (1999: 40) In his study of group incentives in medical practices, Newhouse (1973) discovered that increasing the share fraction received increased the overhead costs and decreased the hours which the doctors worked. Research by Bailey (1970) and Gaynor and Pauly (1990) supported these conclusions. In law firms, Leibowitz and Tollison (1980) found the bigger partnerships, the worse the cost containment.

Prendergast also suggested that monitoring with a sufficiently low cost can negate the free rider problem but finds that "empirical evidence on peer pressure reveals behavioral responses different from those posited in the theory" although he observed that this evidence is "admittedly scant." The research in question is Weiss's study of workers in a pharmaceutical company (1987) and Hansen's examination (1997) of the incentives of telephone operators for a large financial corporation. Both found that group incentives improved the performance of workers who were less productive under individual schemes but decreased the performance of more productive workers. Prendergast also cited the steel

industry incentive studies of Boning, Ichniowski, and Shaw (1998) and the profit sharing studies of Jones and Takato (1995), Kruse (1993) and Knez and Simester (1997), some of which present results that are "such a violation of standard agency theory" that alternative explanations need to be explored by looking at the role of peer pressure (1999:41) Prendergast sees methodological limitations in some of these studies. Our use of a national random sample of both employees and establishments which includes a lot more detail on the work environment and corporate culture attempts to begin tackle these questions in a more comprehensive manner.

Detecting Shirking

In some jobs and workplaces it is relatively easy to tell if an employee is shirking. The worker comes late and leaves early, spends most of his or her time at the coffee machine, calls in sick when the weather turns bad, and so on. If the workplace is a boxing ring, the participant falls to the canvas at the first punch; if it is a battlefield, the participant drops his or her weapon and flees at the first shot. In other jobs and workplaces, it is hard to tell if an employee is shirking. Is the mathematician sitting alone in his office or, shades of Andrew Wiles, in his attic, thinking of ways to solve the Riemann hypothesis or pondering a vacation to France? Is the office worker who spends the afternoon surfing the Web seeking information that may help solve a work-related problem or simply having fun? Is the CEO charging the company for the gourmet meal at the expensive restaurant conducting business or charging the firm for his or her gastronomy?

To get some sense about whether workers can readily detect shirking behavior, we asked whether workers could tell if fellow employees were working as hard or as well as they should, using the question given above. We gave respondents an 11 point scale for answering. The scale ranged from "not at all easy to see" (0) what coworkers were doing to "very easy to see" (10). Figure 1 displays the frequency distribution of answers. The distribution is highly concentrated at the upper end, with 43% of workers giving the highest possible answer (10) about the ease of detecting how co-workers are doing, and another 28% giving answers in the 7-9 categories. Responses are also bunched at the 0 category as well, with 11% of workers giving the lowest score for being able to tell how others are doing, but otherwise there is a paucity of responses at the low end. The overall pattern suggests that the

vast majority of workers have (or think they have) a good idea of how hard their fellow employees are working.

As best we can tell, moreover, the variation among employees in their responses makes sense. Workers who answered with a 7 or more to the question report disproportionately that they work in a team as opposed to by themselves, that they rely on coworkers and supervisors for help, compared to workers who answered 3 or less to the question about seeing how coworkers perform. In addition, 13% who answered 7 or higher reported that they were managers compared to 7% of those answered 3 or less.

Response to Shirking

Given that most workers believe that they can observe the effort of co-workers, what do they do if they catch someone shirking?

Figure 2 summarizes responses to the three-part question about what people would do if they saw someone shirking. The responses use a four-point scale: not at all likely, not very likely, somewhat likely, and very likely. In addition since some respondents said that they did not have a supervisor or manager the sample size of answers to that question is smaller than the sample size for the other questions.

Panel A of figure 2 displays the distribution of responses to whether the respondent will personally talk to the shirker. The distribution is roughly uniform. A substantial proportion of workers said that it was very likely they would talk to the employer, but an almost equally large number said that it was not at all likely that they would do so. Panel B displays the distribution of responses to whether the respondent will talk to a supervisor or manager about the shirking behavior. Proportionately fewer workers said that it was very likely they would talk to management than said that it was very likely they would talk to the worker themselves; and correspondingly more said that it was not very likely or not likely at all that they would speak with the manager or supervisor. The implication is that many workers see taking the case to the supervisor as a more drastic act than confronting the shirker directly. Finally, panel C of figure 2 displays the distribution of responses to the question of whether the worker said that they would do nothing in response to observing shirking behavior. While a majority of workers said it was very unlikely or somewhat unlikely that they would do nothing, nearly one in four said they would in fact do nothing.

From these tabulations, we conclude that while most workers can tell when a fellow employee is shirking or not, there is wide variation in what they will do when faced with a situation in which someone shirks, possibly for reasons of personal attitudes or, of greater interest to us, of differences in incentives at the workplace.

Consistency

The three-part design of the shirking question allows us to check the consistency of answers. Someone who said it was very likely they would do nothing about the observed shirking should report that it was not at all likely they would talk to the employee or the supervisor. To see if responses are consistent across questions, panel A of table 1 presents cross tabulations of the answers to the shirking questions. The columns give responses to the questions about talking to the worker or supervisor/manager. For simplicity, we have organized the column data into four categories: people who said it was very likely they would talk to the shirker **or** very likely they would talk to the supervisor; those who said that they were somewhat likely to talk with the shirker or somewhat likely to talk with the supervisor; people who said it was not very likely they would talk to the shirker or not very likely they would talk supervisor; and those who said that they were not at all likely to talk to the shirker or to the supervisor. The rows give responses to the question about doing nothing but in reverse-coded order, so that they refer to the likelihood of doing something. That is, the response very likely to do something was in fact the response not at all likely to do nothing. We have done this to avoid the confusion of reading double negatives.

Ideally, all of the answers would lie along the diagonal, but given the fuzziness of the four- point scale,[2] we measure consistency by whether or not many responses diverge greatly from the diagonal. Sixty percent of answers lie along the diagonal and 34% lie in the spaces around it, whereas just 6% of responses diverge so much as to suggest either measurement error or an inconsistency in the responses. These include the 20 respondents who said they were very likely to talk to the worker or supervisor but also said that it was very likely they would do nothing and the 35 who said it not likely they would talk to the supervisor or

[2] By fuzziness, we mean the inherent fuzzy arithmetic associated with qualitative statements such as very likely, somewhat likely, and so on, not to any fuzziness in the question. Fuzzy numbers associate a range around a particular response, so that it is possible for individuals to mix categories – to be somewhat likely and somewhat unlikely.

worker but said that it was very unlikely they would do nothing (though it may be that they have some other creative approach to dealing with shirkers). From the limited number of seemingly blatant inconsistencies, we concluded that the questions elicited consistent responses.

Another check on the reasonableness of answers is to contrast the responses of workers who said they could not readily observe the work of their co-workers with the responses of workers who said they could very easily see what co-workers were doing. Someone who said they could not easily observe their fellow employees effort ought to be more likely to do nothing in response to shirking behavior (after all, their information is patchy) compared to someone who can readily observe the behavior of fellow employees.

Panel B of table 1 records cross-tabulations of responses to the shirking question by whether workers said they could easily tell how fellow employees were doing (responses 7-10) or could not easily tell how fellow employees were doing (responses 0-3) shows that those who said they could tell easily were more likely to take action against the shirker than those who said they could not tell easily. The difference in the distribution of responses between the two groups is highly statistically significant.

Complementarity of Responses

Are the acts of talking to a shirker and act of talking to a supervisor about shirking behavior complementary or substitute forms of behavior? Is someone who takes one of these actions against shirking more likely or less likely to take the other action?

The evidence in figure 2 that more workers are very likely to talk to the shirker than to the supervisor/manager shows that these responses are not perfectly correlated, but is insufficient to tell us whether the relation is positive or negative, large or small. Table 2 gives the cross-tabulation of responses the questions about talking to the shirker or to a supervisor/manager. If there was no relation between the two responses, each column/row would resemble the others. If, by contrast, workers likely to talk to the shirker are also likely to talk to the supervisor, the observations would be concentrated along the diagonal.

The table shows a concentration of responses along the diagonal, implying a substantial positive relation between responses to the two forms of intervening against the shirker. There are two large clumps of observations, 228 workers who report that it is very

likely they would talk to the shirking employee and who also report that it is very likely they would talk to a supervisor/manager; and 301 workers who report that it was not at all likely they would do either of those actions. The chi square measure of the relation is 713, which is significant at standard levels. Coding the responses from 1 (not at all likely to speak to the shirker or to the supervisor) to 4 (very likely to speak), the standard Pearson correlation coefficient between talking to the shirker and to the supervisor is 0.48, which is significant at the 1% level. Since the responses are polytomous, however, this understates the strength of the correlation.[3]

Complementarity between talking to workers and talking to supervisors dominates table 2, but the table reveals one imbalance that indicates the existence of some form of substitution. Looking down the column for persons "very likely" to talk to a supervisor, we see that just 32 persons or 9% of those respondents said it was not at all likely that they would talk to a worker. Looking along the row for persons "very likely" to talk to a worker, 76 persons or 17% of those respondents said it was not at all likely that they would talk to supervisor. The implication is that there is a fairly substantial proportion of workers who want to stop shirking but who do not regard telling management about a fellow employee shirking as appropriate behavior. This reluctance may reflect attitudes from schooldays towards tattling to teachers.

Finally, since it is easier to analyze a single scale measure of behavior than a set of polytomous variables, we examined whether responses to the three shirking questions could be amalgamated onto an "intervention/non-intervention" against shirking measure without loss of much information. For simplicity, we formed a summated rating of responses to all three shirking questions, using a 1 to 4 scale, where 1 always measures the lowest intervention and 4 the greatest intervention. The summated rating ranges from 3 to 12. In this ordering a 12 means that the worker reported that it was very likely they would talk to the shirking employee and very likely that they would talk to the supervisor and not at all likely that they would do nothing. A 3 means that they said it was very unlikely that they would talk to the shirking employee and very unlikely that they would talk to the supervisor and very likely that they would do nothing. Figure 3 shows that the summary statistic does what a good scale index should do: differentiating people along the relevant dimension in a relatively continuous way. The new "intervention" variable has a mean of 7.53 and a

[3] The more appropriate statistic would be the polychoric correlation coefficient

standard deviation of 2.90. It provides a useful summary statistic, even though table 2 showed that some elements lie off the diagonal.

Demographic Characteristics and Responses to Shirking

We examine next the socio-economic correlates of whether workers say that they would/would not intervene in the face of coworker shirking. Because most demographic and economic variables are likely to affect the benefit from intervening and the cost of intervening against shirkers, it is difficult to predict how they will be related to responses to shirking. We have explicit expectations about the correlations for only two variables. The first variable for which we have strong priors is the number of workers in the enterprise. Workers in small workplaces are likely to benefit more from stopping shirking behavior than those in workplaces with more employees, so we expect size of enterprise to be inversely related to actions to limit shirking. Second, since managers and other workers in the upper echelons of the company hierarchy have responsibility for firm performance, we expect them to oppose shirking actively. We view the rest of the analysis of socio-demographic factors as descriptive - designed simply to measure what characteristics, if any, are associated with greater willingness to act against shirking: age, gender, race, education, and so forth.

Table 3 summarizes the results of our analysis of the link between socio-economic factors and actions against shirking behavior. Column 1 records regression coefficients and standard errors from ordinary least squares of the summated rating measure of willingness to intervene against shirkers on standard socio-economic variables. Column 2 records coefficients from a linear probability analysis of the likelihood that a worker was very likely to talk to a shirker or to a supervisor: the dependent variable is one when the respondent said they would very likely talk to either the worker or supervisor and zero otherwise. Column 3 gives ordered probit estimates of the factors that affect worker responses to the question about their talking to the shirking worker. Column 4 gives ordered probit estimates of the factors that affect worker responses to the question about their talking to a supervisor or manager.

Among the demographic variables, age and being female reveal an interesting pattern. The coefficient on age is negative and significant in all four columns, indicating that older workers are less likely to intervene actively against a shirker than younger workers. At the same time, however, workers with more tenure are more likely to intervene against shirking than workers with less tenure. Perhaps older workers see smaller gains from stopping shirking since they are closer to retirement while those with greater tenure have more specific human capital tied up with the firm. The coefficient on the dummy variable for female is significant in column 1 but not column 2, indicating that women may be less likely than men to take action against shirkers. This appears to apply, however, only to one form of acting against a shirking co-worker. The significant coefficient -0.312 in column 3 indicates that women are less likely than men to talk to a co-worker about their shirking behavior, while the non-significant positive coefficient 0.075 in column 4 indicates that they are not less likely (and may be more likely) to talk to a supervisor. This suggests that women may often choose a different strategy to oppose shirking than men, possibly to avoid direct conflict with the shirking co-worker.

Table 3 also shows that workers in management jobs are more likely to intervene, while workers in clerical occupations are the least likely to act against shirking. Most important in terms of free-riding behavior, workers in establishments with few employees (1-9) are more likely to intervene when they see shirking than workers at larger workplaces. Although standard economic analysis provides no clean way to resolve the free rider problem, almost any theory of behavior predicts that free riding tendencies will be lower with fewer workers, and thus that workers would intervene more to stop shirking in a smaller workplace if shirking harms their economic position than in a larger workplace.[4]

Shared capitalism, participation, and labor-management relations

Workers are likely to act against shirking when the expected benefit of such an action exceeds the costs. This basic principle suggests that workers should be more likely to speak to a supervisor or to the shirker when they have some financial interest in the performance of the firm, be it through profit sharing, gain sharing, or some form of share ownership or stock options. It also suggests that they are more likely to act against shirking when they regularly participate in workplace decisions, since regular participation should reduce the cost of speaking out. Finally, we expect workers to oppose shirking more actively when they have

4 We also looked at the effect on union membership on responses to shirking, and found no relation. Including union membership reduced the sample size, so we simply deleted the variable.

trust in management and good labor-management relations. In these situations the link between their actions and potential future rewards is more amorphous, but still likely to affect responses to shirking. If you don't trust management, you can hardly be expected to report shirking to management. If you regard labor-management relations as poor, you may regard shirking as a justifiable response to management's poor treatment of workers.

Table 4 shows the measures of shared capitalist compensation, participation, and labor-management relations in our data set. In these tabulations we limit the sample to private sector employees, since the reward system for government workers differs from that for private employees (e.g., no profit-sharing, civil service regulations, etc). To judge the plausibility of the estimates, we compare them with those from the 1994-95 Workplace Representation and Participation Survey (WRPS) – the first national survey devoted specifically to obtaining workers' views of participation, labor-management relations, and workplace economic incentives (Freeman and Rogers, 1999).

The column in Table 4 listed as GSS 2002 shows that in the 2002 General Social Survey, 34% of private sector workers reported being in profit-sharing plans, 23% reported being in gain-sharing plans, 21% said they owned company stock, and 13% reported that they had stock options (the relevant survey questions are in the appendix). Taken together, 43% of workers said that their pay was affected by at least one of these forms of shared capitalist programs. The column listed as NOS 2002 gives comparable estimates from the National Organizations Study conducted in coordination with the GSS. This survey was administered to over 500 establishments that employed the respondents and their spouses in the GSS. Our tabulation is limited to 315 private sector firms. The NOS estimates of the extent of profit sharing and gain sharing are quite similar to the GSS estimates, while the NOS estimate of options granted annually is consistent with the GSS estimate of options held if options are granted on 3-4 year cycle.

The WRPS found that 31% of US workers participate in firm decision-making through employee involvement committees, team production, or quality circles in the mid 1990s. 5 Unfortunately, the 2002 GSS did not ask detailed questions about the organizational structure of employee participation in decision-making. Rather, it asked whether employees normally work as part of a team and how often they participate with others in determining how things are done at their job. Table 4 shows that over 60% of private sector workers report working in a team setting; 40% report that they often participate with others in helping

set the way things are done on a job; and 30% say they do that sometimes. To obtain a better fix on formal employee involvement programs, we went to the NOS survey. The 2002 NOS asked employers the percentage of workers involved in self-managed teams; the percentage of employees involved in quality circles and employee involvement committees that occasionally meet to solve problems; and whether the firm had established a committee that meets regularly about worker safety. The NOS figures in table 4 suggest that formal participative programs have a smaller reach than more loosely defined participation shown by the GSS. According to the NOS 17% of US workers are involved in self-managed teams and 17% are involved with employee involvement committees or quality circles, while nearly half of workers are in firms that had formal safety committees. The GSS and NOS estimates on participation thus bracket the WRPS estimates.

The WRPS found that a majority of US employees reported good labor management relations at their workplace and trusted management to carry out its promises to workers, but that a significant minority reported poor workplace relations or that had little trust for management. The 2002 GSS results summarized in table 4 show a similar pattern, though there are some differences between the GSS figures and WRPS figures. On the one side, the GSS finds less trust in management than did the WRPS: 28% gave management the highest trust on the GSS compared to 38% who gave management the highest trust on the WRPS (Freeman and Rogers, exhibit 3.3, p 46). On the other side, 34% of workers placed labor-management relations in the highest category on the GSS, which is nearly twice the 18% reported in the WRPS (Freeman and Rogers, exhibit 3.2, p 44).

We surmise that these differences are due largely to differences in the wording of the survey questions, rather than to any change in attitudes over time. The highest category in trust on the GSS required workers to say that they "strongly agree" that they trust management while the highest category for trust in management on the WRPS was defined as trusting management "a lot". Strongly agree would seem to more demanding than trusting a lot. As for the difference in labor-management relations, the GSS called its highest category "very good" whereas the WRPS worded its highest labor-management relations as "excellent".

Separately, the 2002 NOS asked management how they rated labor-management relations at the workplace and how they thought employees would respond to the question of trusting management. The responses given under the NOS column in table 4 show that

5 Freeman and Rogers, table V-1, p 92

management respondents rate labor-management relations considerably better than do workers, and believe that workers have greater trust in them than in fact workers say they have.

Organizational Characteristics and Responses to Shirking

To what extent, if at all, does the variation in the incentives, participation, and employee relations documented above influence worker responses to shirking behavior by co-workers?

As a first step to answering this critical question, table 5 compares two measures of the responses of workers to shirking in establishments with given practices and in establishments without those practices. The first measure is the summated rating, described earlier. The second measure is the proportion of respondents who said that they were very likely to talk to the worker or who said they were very likely to talk to a supervisor/manager. There are other ways to summarize the data, but these two statistics provide a good picture of the pattern in the data.

Employees in workplaces that have profit sharing and those in workplaces that have gain sharing have statistically significantly higher scores on the summated rating measure than employees without those incentives. Similarly, the proportion of workers who say that they are very likely to talk to the worker or to a supervisor/manager is significantly higher under profit sharing and gain sharing than the proportion of workers who say they would do so absent such financial incentives. By contrast, there is no statistically significant difference between the responses of workers who own company shares or hold stock options and those who do not own shares or options. One possible explanation is that this survey was administered during and after one of the largest stock market corrections in recent history and workers holding stock or holding options saw little potential "profit" in these holding at that moment. In addition, the more immediate rewards associated with profit or gain sharing are associated with stronger actions against shirking.

The tabulations relating to workers' reported participation in decision-making in table 5 show that participation enhances the likelihood that workers will act against shirkers. Workers who are part of a team or who report that they often participate with others in deciding how their job is done have higher summated ratings and greater probabilities of acting against a shirker than workers who are not part of a team or who participate less. As

noted earlier, however, the GSS questions on participation do not identify formal participative programs, and thus are an imperfect measure of company policy or enterprise organization. Workers who say they work as part of a team may operate in a group under management direction rather than in a self-directed team, while those who report participating in decisions may simply be referring to discussions with workers rather than any participative structure where they had any power to change management decisions.

To see whether acting against shirking is linked to formal participative programs, we analyzed the effect of the NOS responses of percentage of workers involved. Since the percentage of workers covered by the programs averages just 17%, the link from the prevalence of the program to the possibility that a worker participates is noisy one. A randomly sampled worker in firm with, say, 40% of workers covered by a program would be more likely not to be involved in the program than to be involved. Still, the worker in the firm with 40% coverage would have 4 times the chance of being in the program than the worker in a firm with 10% coverage, and thus be expected to respond to shirking more than the worker in the firm with 10% coverage. With the small number of workers in the GSS-NOS (371 in our private sector sample), however, we obtained no statistically significant relation between our measures of worker response to shirking and either the percentage of employees in a self-directed team and the percentage of employees in a quality circle/employee involvement committee. In fact, there is virtually no relation between workers reporting that they work on a team on the GSS and the employer reports of team or quality circle/employee involvement committees on the NOS.[6]

The final part of Table 5 shows the value of the two measures of worker responses to worker perceptions of labor management and trust in management. The data support the notion that workers are more likely to act against shirking behavior when labor/management relations are good than when they view those relations as quite or very bad, and when they trust management than when they do not trust management.

In sum, the GSS evidence supports the principle thesis of this study: that workers are more likely to self-monitor their workplace under shared capitalist arrangements - be it financial sharing that gives them monetary incentive or shared decision-making that encourages them to participate in decisions - and when the firm establishes good workplace relations. This analysis has, however, been univariate, which leaves open the questions of

6 Dube and Freeman find that there is considerable disagreement between the employer reports and employee reports on other variables as well.

whether the observed patterns could be due to differences in the demography of the work force across firms with different labor practices, or whether some of the patterns may be due to the inter correlation of practices, rather than to the independent effect of each.

To examine these possibilities, table 6 presents the results of multivariate calculations that link the three measures of worker response to shirking to the organizational/company policy variables and the socio-economic factors identified in table 3. The summated rating measure of worker responses is the dependent variable in columns 1 and 2. Column 1 shows that, holding fixed for demographic and job variables (including the size of the establishment), profit/gain sharing has a substantial impact on the likelihood the worker will take action against shirking behavior.[7] Column 2 adds measures of participation – whether the worker works as part of a team and whether the worker participates often with others in determining how their job is done – and measures of employee management relations. Both of the participation variables have a substantial positive impact on the summated rating, while the labor-management relations variables have no noticeable effect. The calculations in columns (3) to (5) give similar results. In (3), the dependent variable is the measure that takes value 1 if the worker says it is very likely that they would talk to a supervisor or that they would talk to the shirker, and 0 otherwise. Profit/gain-sharing matters, as do the two participation variables. In (4) the dependent variable is the ordered probit for talking to the shirker. In (5) the dependent variable is the ordered probit for the likelihood of talking to a supervisor/manager. Again, profit/gain sharing matters, as do the two participation variables. As the participation variables, which are based on worker reports from the GSS, are not well connected to employer practices from the NOS, we regard the results on the profit/gain sharing as more reliable in indicating responses to shared capitalist policies.

While we have examined different functional forms, we have thus far made no effort to specifically model interactions among the major organizational variables. Analysis of the basic decision equation for workers to intervene against shirking suggests, however, that there should be some interactive effects. The worker decides to intervene against a shirker when the expected benefits of intervening exceed the costs: p (G) – Cost, where p is the probability that the intervention will succeed, G is the gain to the worker and C is the cost. The financial incentive would affect G; participation should affect p and the cost. Labor-management relations L-M might affect both G and p. More complicated analyses, in which

7 Profit and gain sharing are combined in one measure due to their high correlation (0.70). Similarly, owning company stock and holding stock options are combined due to their high correlation (0.68).

the worker is assumed to take account of the possible behavior of other employees, lead to even more complexity, which we will ignore. Instead, we have looked for potential interactions of key variables in our data. Table 7 and figure 4 give our main results. In the table, we report specifications that include interactions between profit/gainsharing and view of management employee relations.

The message of Table 7 is clear: profit/gainsharing is associated with taking action against shirkers only when combined with a very positive view of management employee relations. The effect is strong and significant across all four specifications. In contrast, profit/gainsharing with less favorable views of management employee relations, as well as positive views of management employee relations without any profit/gainsharing, are not associated with taking action against shirkers. Figure 4 illustrates the results from column 3 of the table. Very similar results are obtained when profit/gainsharing is interacted with trust in management.[8] This makes sense: employees are likely to take action to increase productivity only when they are confident that any gains will in fact be shared with workers—not withheld or frittered away by managers believed to be inefficient or ornery.

We have run a number of other exploratory specifications to see how shared capitalism arrangements may interact with other workplace policies (not reported here). The positive profit/gainsharing effect on the likelihood of taking action against shirkers is significantly lower among those who plan to look for a new job in the next year (presumably because they will not be around to receive the profit share), and also significantly lower in companies with high injury rates (which could easily worsen management employee relations and decrease expected tenure). While it is often theorized that financial participation will have a positive interaction with participation in decision-making in affecting worker motivation and performance (e.g., Ben-Ner and Jones, 1995), we do not find significant interactions using the GSS participation measures. Again, this may reflect the limitations of the participation questions: they do not measure actual participation in an employee involvement or similar program, but rather the subjective sense of participation in decisions affecting one's job. Profit/gainsharing is strongly associated with a sense of participation, shown both by the simple comparisons in Table 5 and by estimates that adjust for other job and demographic characteristics. It is therefore possible that profit/gainsharing increases

8 The correlation between trust in management and view of employee management relations is .60, indicating they appear to represent a common attitude.

worker co-monitoring in part by increasing a sense of participation, but there is no extra interaction effect between the two.

In other exploratory specifications, we do not find that employee stock ownership or holding stock options have significant interactions with any of the measured policies. This again suggests that immediate rewards are more of a motivator; in addition, it may reflect the poor stock market performance through 2002 as the GSS was being conducted, which could dampen worker views of the likely value of owning stock or holding stock options (many stock options were underwater at this time). There is, however, an intriguing relationship in the NOS sample between the percentage of workers who received stock option grants in the past year (as opposed to currently holding stock options) and several of the workplace variables. These grants - given at lower exercise prices as a result of the market decline – would have signaled to employees the possibility of some future profit. The pattern in fact matches the profit/gainsharing results in Table 7: workers are more likely to talk to shirkers to the extent that a favorable view of management employee relations (or more trust in management) is combined with a higher percentage of workers who received stock options in the past year. Since recently-granted stock options were less likely to be underwater in 2002, the recipients may have been more optimistic than all stock option holders about the prospect of rewards from better workplace performance. In addition, a working hypothesis for further investigation is suggested by the fact that profit sharing and gainsharing bonuses appear to generally come on top of standard levels of pay and benefits (Kruse, 1998). Employee stock ownership and stock options may have positive effects when they function like profit sharing, as an additional incentive given to employees rather than being purchased by workers with their own salary or savings (e.g., when workers buy stock in employee stock purchase plans or 401k plans).

Conclusion

This study has examined employee responses to new questions on the General Social Survey 2002 that we posed on whether workers can easily observe whether co-workers are shirking and how workers respond to shirking. The answers to the new questions provide valuable insight into the likely magnitude of mutual monitoring and peer pressure against shirking behavior. They show that most workers believe that they are able to observe the

effort/activity of fellow workers, which is the first prerequisite for mutual monitoring and peer pressure against shirking to work. In addition, about half of the work force says that they would be very likely to respond to poor job performance by co-workers, with more saying that they would talk to the shirker rather than reporting the behavior to management. While there are some demographic correlates to responding against shirking, workplace factors are more strongly related to employee efforts to reduce shirking. Employees respond more against shirking in workplaces with shared capitalism institutions, notably profit/gain sharing, recent grants of stock options and employee participation in decision-making, and where labor-management relations are good. While firms that expect workers to mutually monitor and pressure peers could try to select workers with innate propensities to engage in such activities, our analysis suggests that their most sensible strategy would be to give workers financial participation and some shared decision-making as well as establish good labor-management relations. These findings may have some implications for addressing the principal-agent problem in corporate governance. Top executives frequently oppose profit sharing and broad-based stock option programs because of the free rider or 1/N problem. The result is that many executives and their hired gun compensation consultants get boards to approve incentive plans that give most of the pie to themselves and other top officials. (Morgenson 2002: B1; Blasi, Kruse, and Bernstein 2003). If some shared capitalist programs and certain types of corporate cultures can actually address these same objections, then there may be a conflict of interest for top executives to make most of the strategic decisions on shared capitalist programs and corporate culture essentially by themselves.

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Appendix:

General Social Survey questions on peer pressure and shared capitalism arrangements

Ability to monitor co-workers:

In your job how easy is it for you to see whether your co-workers are working well or poorly? On a scale of 0 to 10 please describe with 0 meaning not at all easy to see and 10 meaning very easy to see.

Response to shirking co-worker:

If you were to see a fellow employee not working as hard or well as he or she should, how likely would you be to:

a. Talk directly to the employee
b. Speak to your supervisor or manager
c. Do nothing

Answer options:

1 Not at all likely
2 Not very likely
3 Somewhat likely
4 Very likely
0 I do not have a supervisor or manager (for question b)

Profit sharing:

In your job are you eligible for any type of performance-based pay, such as individual or group bonuses or any type of profit-sharing? IF YES, THEN: Does the size of these performance-based payments depend on company profits or performance?

Gainsharing:

In your job are you eligible for any type of performance-based pay, such as individual or group bonuses or any type of profit-sharing? IF YES, THEN: Does the size of these performance-based payments depend on workgroup or department performance?

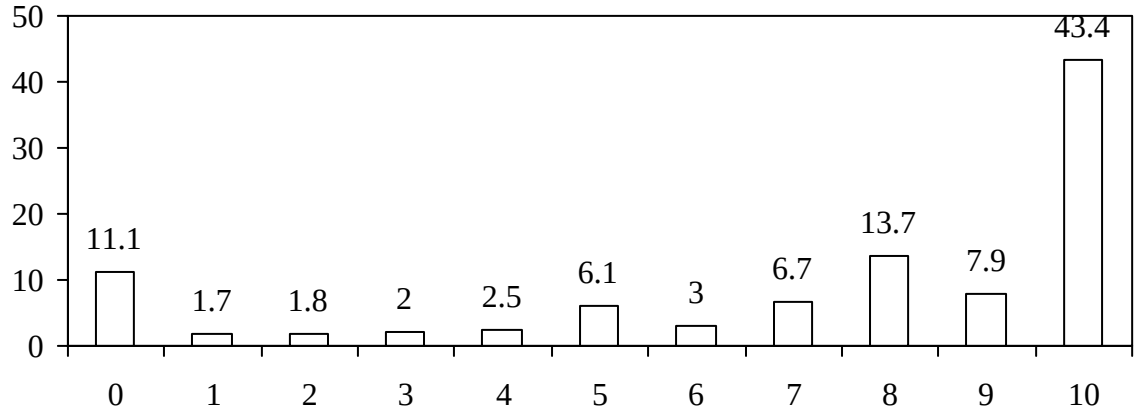
Employee ownership:

Do you own any shares of stock in the company where you now work, either directly or through some type of retirement or stock plan?

Stock options:

Do you currently hold any stock options in your company (vested or unvested)?

Fig 1: Percentage Distribution of Workers By How Well They Can See Whether Co-workers Are Working Well or Poorly



NOT EASY TO SEE

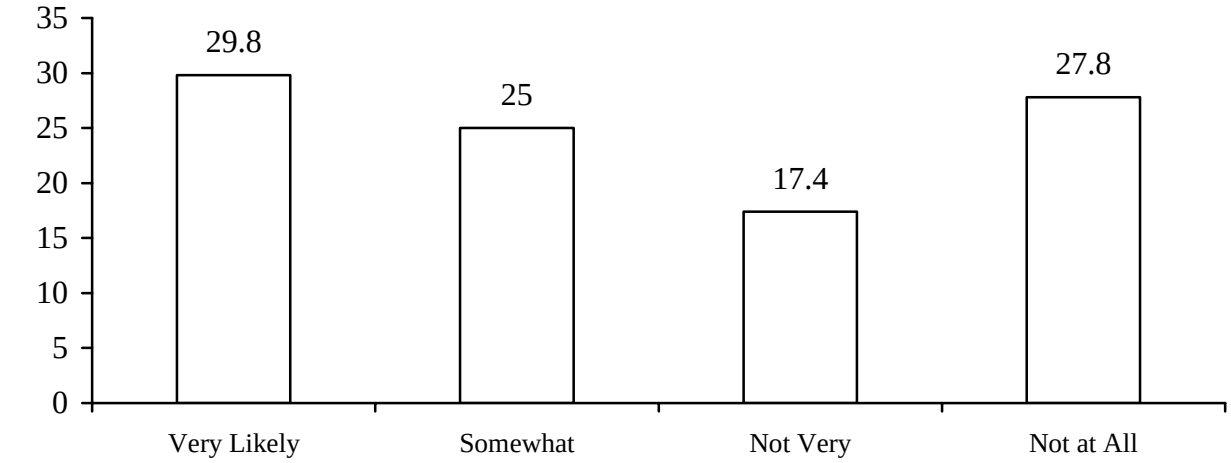
VERY EASY TO SEE

Source: General Social Survey 2002, q 924 *In your job how easy is it for you to see whether your co-workers are working well or poorly? On a scale of 0 to 10 please describe with 0 meaning not at all easy to see and 10 meaning very easy to see:* Sample size = 1536, eliminated 36 don't knows and 19 no answers.

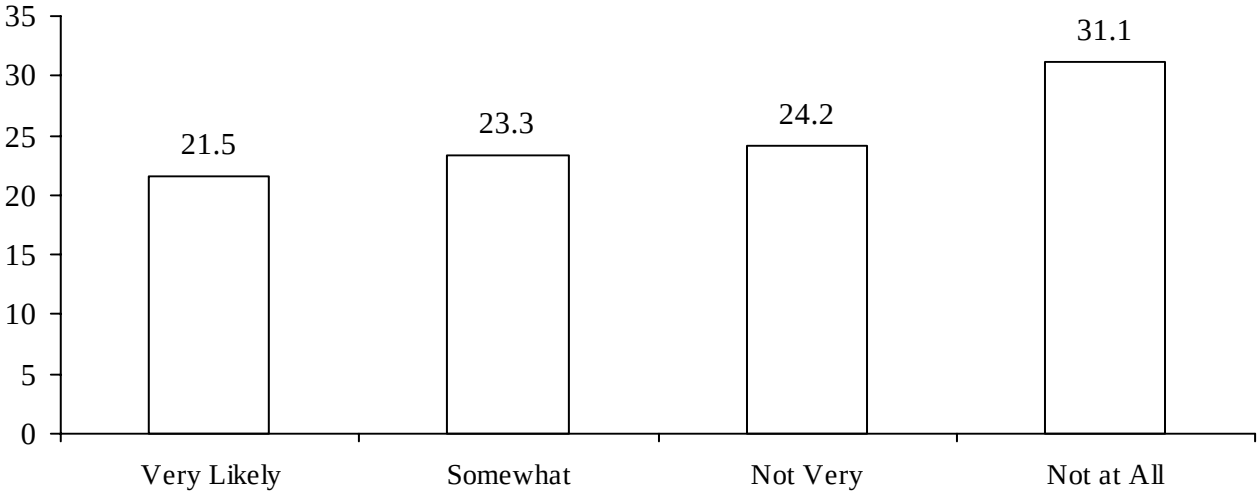
Figure 2: Percentage Distribution of Workers Responses to Seeing Fellow Employee Shirking

(Source: General Social Survey 2002)

Panel A: Talk Directly to Employee



Panel B: Talk to Supervisor/Manager



Panel C: Do Nothing

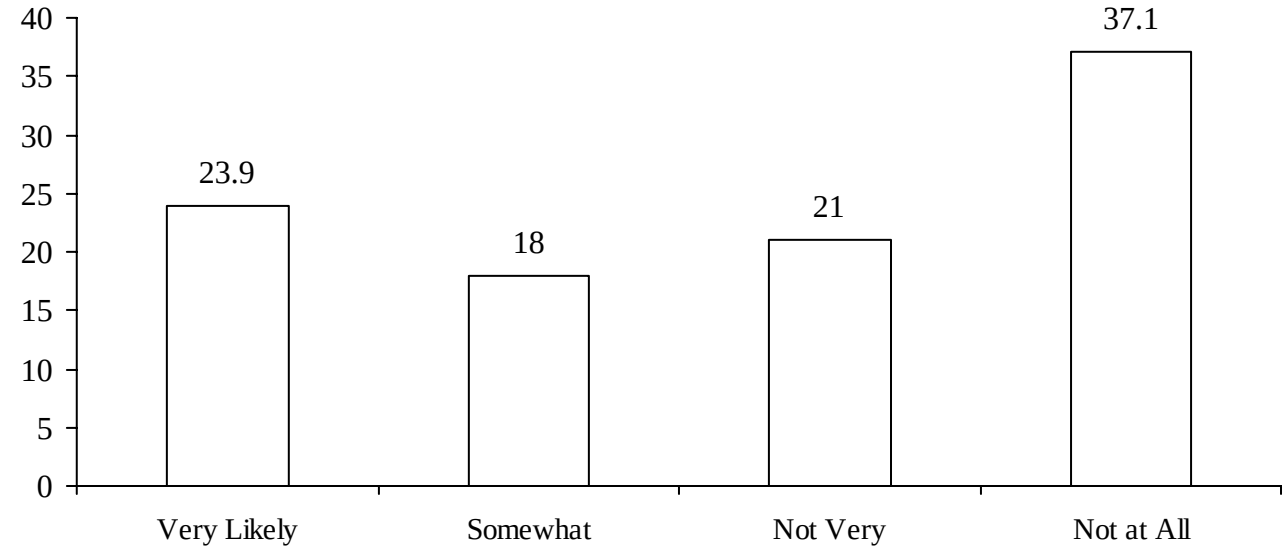
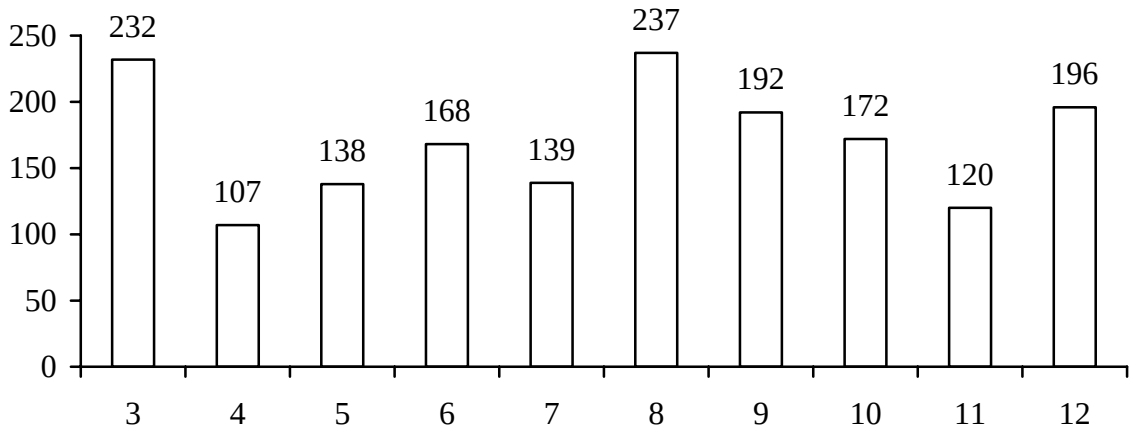


Figure 3: Frequency Distribution of Summated Rating of Responses



Source: Tabulated as follows: q925a 4 for very likely etc q925b 4 for very likely etc q925c reverse code so that we give 4 to value 1, 3 to value 2, etc by taking 5-value.

Figure 4: Peer Pressure, Employee-Management Relations, and Profit/Gainsharing

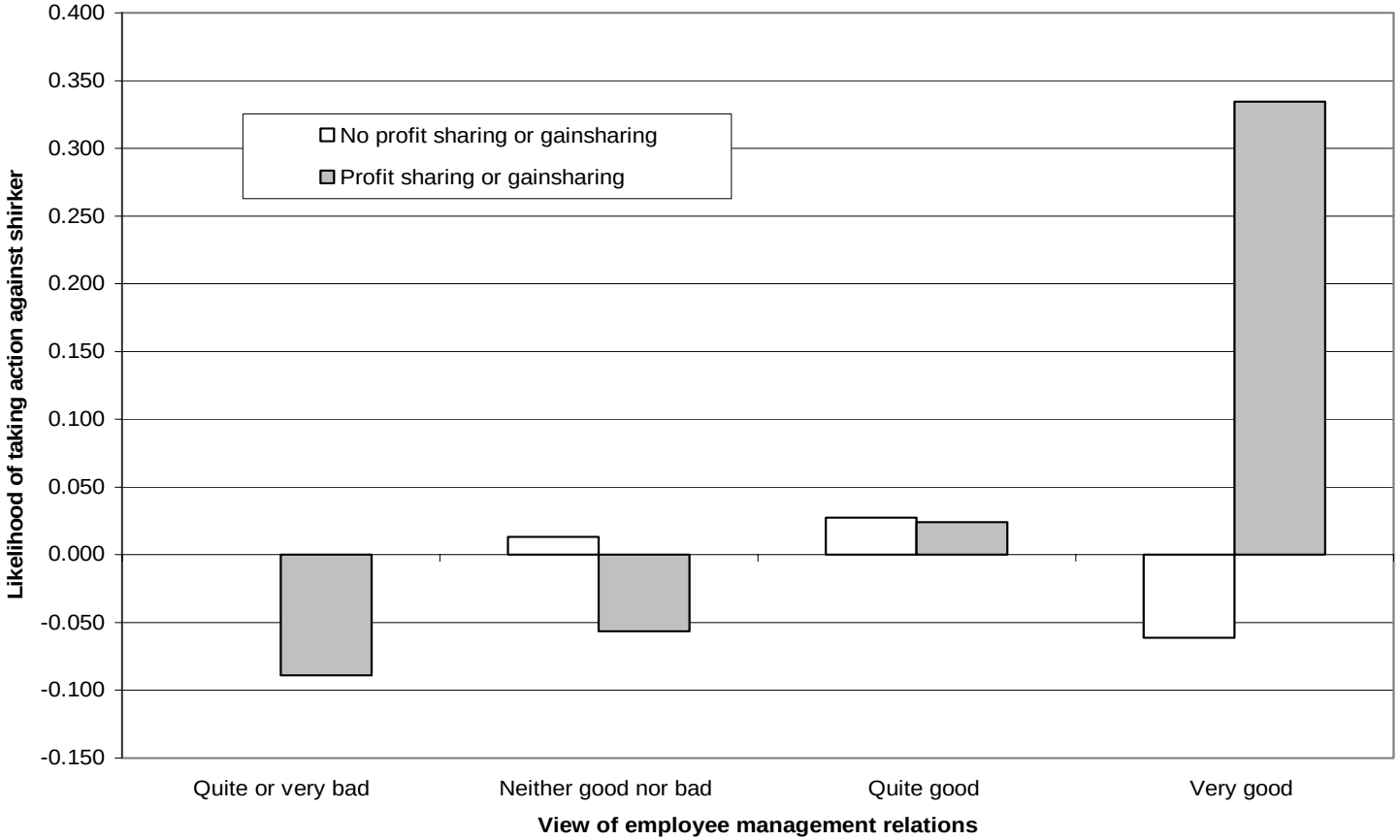


Figure based on regression results from column 4 of Table 6. The values represent a worker's reported likelihood of talking to a shirking co-worker (measured on 1-4 scale) relative to the likelihood for workers who receive neither profit sharing nor gainsharing and view employee-management relations as quite or very bad.

Table 1: Cross-Tabulations of Responses on How Workers React to Shirking

Panel A: Numbers of Workers, by response to shirking behavior

	Would Talk to Worker or Supervisor			
	very likely at least once	somewhat likely at least once	not very likely	not at all likely
Would do nothing reverse coded as do something				
very likely	465	121	13	30
somewhat likely	115	204	32	34
not very likely	27	127	112	114
not at all likely	20	34	114	242

Panel B. Percentage of Workers, by Ability to Observe Shirking

	Would Talk to Worker or Supervisor			
	very likely at least once	somewhat likely at least once	not very likely	not at all likely
Ability to see whether co-worker is shirking				
High (7 -10)	41%	29%	13%	16%
Low (0-3)	29%	24%	20%	27%

Source: Tabulated from General Social Survey, 2002.

Figures represent row percentages. The number who reported in the high category was 894; the number in the low category was 174. Chi-sq.=35.999, p<.00001

Table 2: Cross-Tabulation of Numbers of Workers Who Would Talk to Shirking Co-Worker and Numbers of Workers Who Would Talk to Supervisor or Manager About Shirking Co-Worker

	Likelihood of Talking to Supervisor or Manager			
Likelihood of Talking to Worker	very likely	somewhat likely	not very likely	not at all likely
Very likely	228	77	72	76
Somewhat likely	65	176	122	55
not very likely	23	66	137	67
not at all likely	32	55	60	301

Source: Tabulated from General Social Survey, 2002.

Table 3: The Relation between Demographic and Job Market Factors and Peer Pressure

Dep. var.:	Summated rating (1)			Likelihood of of doing Something (2)			Likelihood of talking to shirker (3)			Likelihood of talking to supervisor or manager (4)		
Age	-0.022	(0.007)	**	-0.002	(0.001)	*	-0.008	(0.003)	**	-0.009	(0.003)	**
Education	-0.048	(0.033)		-0.011	(0.005)	*	-0.012	(0.012)		-0.015	(0.012)	
Female	-0.323	(0.165)	*	-0.039	(0.027)		-0.312	(0.063)	**	0.075	(0.063)	
Black	0.044	(0.207)		0.026	(0.034)		0.037	(0.079)		-0.093	(0.080)	
Occupation												
Mgt.	1.312	(0.302)	**	0.167	(0.049)	**	0.597	(0.116)	**	0.376	(0.115)	**
Mgt.-related	0.063	(0.394)		-0.057	(0.065)		-0.104	(0.151)		0.320	(0.148)	*
Professional	-0.416	(0.289)		-0.076	(0.047)		-0.184	(0.110)		-0.060	(0.110)	
Technical	-0.685	(0.383)		-0.045	(0.063)		-0.158	(0.146)		-0.059	(0.147)	
Sales	0.416	(0.288)		0.047	(0.047)		0.138	(0.111)		0.142	(0.111)	
Clerical	-0.684	(0.269)	**	-0.101	(0.044)	*	-0.293	(0.104)	**	-0.179	(0.104)	
Service	0.329	(0.261)		0.034	(0.043)		0.196	(0.101)		0.037	(0.100)	
Blue-collar (excl.)												
Size 1-9 ees.	0.889	(0.279)	**	0.107	(0.046)	*	0.243	(0.106)	*	0.308	(0.108)	**
10-49 ees.	0.626	(0.254)	*	0.042	(0.041)		0.162	(0.097)		0.233	(0.097)	
59-99 ees.	0.343	(0.281)		0.026	(0.046)		0.113	(0.108)		0.131	(0.108)	
100-999 ees.	0.098	(0.250)		-0.020	(0.041)		-0.014	(0.096)		0.086	(0.096)	
2000+ ees. (excl.)												
Tenure	0.028	(0.011)	*	0.002	(0.002)		0.008	(0.004)		0.007	(0.004)	
Non-profit ee.	0.251	(0.310)		0.052	(0.051)		-0.021	(0.117)		0.198	(0.119)	
Gov't. ee.	-0.189	(0.209)		-0.079	(0.034)	*	-0.204	(0.079)	**	-0.011	(0.080)	
For-profit ee. (excl.)												
Constant	8.664	(0.543)	**	0.582	(0.089)							
N	1467			1470			1504			1472		
(Pseudo) R-sq.	.071			.061			.038			.016		

Column 1 presents results of OLS regression, while columns 2-4 present results of ordered probits.
* p<.05 ** p<.01 Standard errors in parentheses.

Table 4: Percentage of Workers in Shared Capitalist Programs and in Enterprise Decision-Making, and with Different Qualities of Labor-Management Relations

	GSS 2002	NOS 2002
Shared Capitalist Financial Incentives		
Profit-sharing	34%	38%
Gain-sharing	23%	13%
Own company stock	21%	21%
Hold stock options	13%	--
Granted stock options last year	--	3%
Any of above	43%	--
Participation in Decision-Making		
Work as part of team	61%	--
Often participate with others in making decisions that affect job	42%	--
Often participate with others in helping set how things are done on job	45%	--
Percent of employees involved in self-managed teams	--	17%
Percent of employees in Quality Circles or Employee Involvement Committees	--	17%
Existence of worker safety committees	--	49%
Labor/Management Relations		
% who describe relations as		
Very good	34%	52%
quite good	36%	41%
neither good nor bad	22%	6%
quite or very bad	8%	1%
% who agree that they/workers "trust management"		
Strongly agree	28%	30%
Agree	48%	55%
Neither agree nor disagree	--	10%
Disagree	18%	4%
Strongly disagree	6%	1%

Source: Tabulated from General Social Survey 2002 and National Organizations Study, 2002.

Table 5: Measures of the Responses of Workers to Shirking, by the Characteristic of Employing Organization

	Responses of Workers, Measured by			
	Summated Rating[9]		% very likely to act against shirking	
Characteristic of Employing Organization (Yes= Has characteristic; No= does not have it)	YES	NO	YES	NO
Shared Capitalist Financial Incentives				
Profit-sharing	7.97	7.45*	43%	34%*
Gain-sharing	8.05	7.50*	41%	36%*
Own company stock or Hold stock options	7.59	7.62	37%	37%
Participation in Decision-Making				
Work as part of team	8.12	6.84*	43%	27%*
Often participate with others in how job is done	8.27	6.84*	47%	26%*
Labor/Management Relations				
% who describe relations as				
Very good	7.92	--	45%	--
quite good	7.56	--	32%	--
neither good nor bad	7.36	--	32%	--
quite or very bad	7.32	--	38%	--
% who agree that they "trust management"				
Strongly agree	8.09	--	46%	--
Agree	7.56	--	33%	--
Disagree	7.31	--	36%	--
Strongly disagree	7.07	--	36%	--

* Difference from "yes" group is significant at $p<.05$

9 The summated rating is the sum of the responses to the three questions about whether workers would talk to the employee or to a supervisor or manager or do nothing when they encountered shirking. Responses to the questions about talking to the worker or to the supervisor/manager are coded 1 to 4 with higher values reflecting greater likelihood of acting. Responses to the question about doing nothing are reverse coded 1 to 4, so that higher values reflect greater likelihood of acting.

Table 6: Regression Analysis of Company Policies and Opposition to Shirking

Dep var.:	Summated rating (1)			Summated rating (2)			Likelihood of doing something (3)			Likelihood of talking to shirker (4)			Likelihood of talking to sup./manager (5)		
Without interactions															
Profit- or gain-sharing	0.557	(0.190)	**	0.402	(0.186)	*	0.086	(0.031)	**	0.114	(0.073)		0.186	(0.073)	**
Own co. stock or hold stock options	0.023	(0.217)		-0.006	(0.210)		0.015	(0.035)		0.076	(0.083)		-0.024	(0.082)	
Work as part of team				0.907	(0.172)	**	0.108	(0.029)	**	0.341	(0.068)	**	0.320	(0.068)	**
Often participate with others in how job is done				1.049	(0.173)	**	0.164	(0.029)	**	0.455	(0.069)	**	0.168	(0.068)	**
View of mgt-ee relations:															
Quite or very bad (excl.)															
Neither good nor bad				-0.016	(0.334)		-0.064	(0.056)		0.010	(0.134)		0.048	(0.132)	
Quite good				-0.109	(0.317)		-0.108	(0.053)	*	0.036	(0.127)		-0.020	(0.126)	
Very good				0.054	(0.326)		-0.013	(0.054)		0.090	(0.131)		0.008	(0.130)	
n	1179			1176			1178			1206			1180		
(Pseudo) R-sq.	.071			.135			.113			.063			.03		

* p<.05 ** p<.01 (s.e.) Cols. 1-3 contain OLS regressions, and cols. 4-5 contain ordered probits.
All regressions use the demographic and job variables from Table 3 as controls.

Table 7: Regression Estimates of Coefficients on the Interaction of Profit/Gain Sharing and Mgt-Employee Relations

Dep. var.:	Summated rating (1)			Likelihood of doing something (2)			Likelihood of talking to shirker (3)			Likelihood of talking to sup./manager (4)		
Have profit- or gain-sharing and view of mgt-ee rels. is:												
Quite or very bad	-0.179	(0.650)		0.061	(0.108)		-0.089	(0.264)		-0.159	(0.259)	
Neither good nor bad	0.123	(0.387)		0.023	(0.065)		-0.070	(0.152)		0.133	(0.151)	
Quite good	0.221	(0.286)		0.091	(0.048)		-0.003	(0.113)		0.198	(0.112)	
Very good	0.875	(0.300)	**	0.121	(0.050)	*	0.396	(0.121)	**	0.274	(0.119)	*
Own co. stock or hold stock options	0.007	(0.210)		0.017	(0.035)		0.088	(0.083)		-0.024	(0.082)	
Work as part of team	0.925	(0.173)	*	0.109	(0.029)	**	0.353	(0.068)	**	0.322	(0.068)	**
Often participate with others in how job is done	1.057	(0.173)	**	0.164	(0.029)	**	0.462	(0.069)	**	0.170	(0.068)	*
View of mgt-ee relations:												
Quite or very bad (excl.)												
Neither good nor bad	-0.084	(0.393)		-0.051	(0.065)		0.013	(0.157)		-0.028	(0.156)	
Quite good	-0.192	(0.375)		-0.117	(0.063)		0.027	(0.151)		-0.117	(0.149)	
Very good	-0.264	(0.381)		-0.032	(0.064)		-0.061	(0.153)		-0.114	(0.152)	
n	1176			1178			1206			1180		
(Pseudo) R-sq.	.138			.115			.066			.030		

* p<.05 ** p<.01 (s.e.) Cols. 1-2 contain OLS regressions, and cols. 3-4 contain ordered probits.
All regressions use the demographic and job variables from Table 3 as controls.

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