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Abstract

This study compares workplace dispute resolution strategies (exit, voice, and toleration) in matched pairs of conventional and worker-owned cooperative organizations operating in three industries – coal mining, taxicab driving, and organic food distribution. Building on Hirschman's classic exit, voice, and loyalty thesis, this research demonstrates how the degree of loyalty that workers hold affects how they approach workplace problems. I find that workers with greater loyalty are more likely to embrace "voice" as a way to address their problems. Although the "exit" patterns do not mirror the classic "exit-voice framework," the data do support Hirschman's broader thesis, which incorporates examination of emotional involvement, and entry and exit costs.

While previous scholars have studied Hirschman's exit, voice, and loyalty thesis in the workplace, few have explored workplace loyalty as an orientation that affects voice and exit, as Hirschman envisioned it (Dowding, John, Mergoupis, and Vugt 2000). Hirschman asserted that, when confronting workplace problems, people's two courses of action were to (1) leave the organization, i.e., "exit", or (2) stay and express their displeasure, i.e., "voice." Some scholars read Hirschman as offering "loyalty" as a third option, while others see loyalty as a contingency that shapes whether people will "exit" or "voice." This paper takes the latter definition. Whereas both "exit" and "voice" behaviors can send a similar message to the organization, causing it to improve, voice is the more difficult option (Hirschman 1970). When will people stay and "fight," and when will they "cut bait" and leave? Hirschman says that the key to understanding this decision is the loyalty of the members. Those with greater loyalty are more likely to stay and try to change the organization from within. This is particularly true if they believe that their efforts have the power to influence the organization (Hodson 2001). Entry costs further heighten the likelihood of choosing "voice" rather than "exit," since those who have endured difficulty in joining the organization will be less likely to discard their membership lightly (Hirschman 1970).

Some research suggests that members of worker cooperatives – businesses that are co-managed and co-owned by their workers – will have greater loyalty than workers in conventional businesses (e.g., Cornforth, Thomas, Lewis, and Spear 1988; Rothschild and Whitt 1986). Members of worker cooperatives often have ideological attachments to their workplace. Sometimes they specifically sought jobs in worker cooperatives; other times they simply happened upon these jobs, but then became converted to the

cooperative workplace ideology. Moreover, some worker cooperatives require that their members pay an amount of money to buy into the cooperative before they may begin working. Thus, members of worker cooperatives – whether because of self-selection reasons, or due to factors created by the structure of these businesses – may have greater loyalty.

To investigate the impact of loyalty on the dispute resolution strategies of exit and voice, I compare conventional organizations and collectively-run organizations. I examine three very different industries, comparing one conventional and one cooperative business in each. Contrasts in loyalty between the conventional and cooperative organizations are explored to establish the assertion from the literature on cooperatives that people in cooperatives may have greater loyalty. I then compare how these differences in loyalty between the cooperatives and conventional businesses affect their workers dispute resolution behaviors.

I find that members of worker cooperatives express more loyalty to their organization. These workers are more likely to include "voice" as a way they anticipate resolving workplace problems. The workers in conventional businesses were less likely to express much loyalty to their organization and also were less likely to anticipate using "voice" to resolve workplace problems. Additionally, workers who experienced high entry or exit costs – i.e., those in the coal mining industry – were especially unlikely to consider leaving the company ("exit") as a way to resolve problems.

Theoretical Context and Previous Research

This article draws on the classic writings of Albert O. Hirschman as well as research on worker cooperatives. Hirschman posited that, when facing negative situations, workers have two main options: exit the organization or voice their concerns. Which option they choose depends on how loyal they are to the business. The literature suggests that members of worker cooperatives are often more loyal to their workplace. Therefore, by studying matched sets of conventional businesses and worker cooperatives, this paper explores how loyalty affects workers' choice of dispute resolution strategies.

EXIT, VOICE, AND LOYALTY

In his influential 1970's book, *Exit, Voice, and Loyalty*, Hirschman asserted that two "contrasting, but not mutually exclusive" (1970: 15) behavior options exist for employees who are dissatisfied with a firm or a product: (1) "exit": they can leave the firm or stop buying the product, or (2) "voice": they can express their dissatisfaction to the relevant authority (1970: 4). Additionally, dissatisfied people could also engage in "acquiescence" rather than either "voice" or "exit," meaning that they would remain "dumbly faithful" to the firm or product without leaving or voicing their discontent (1970: 31). (In this article, I operationalize "acquiescence" as the category "toleration," meaning that the problem is perceived but no action is taken.) However, only "voice" and "exit" provide the feedback that enables organizations to improve. When the "exit" option is unavailable, the only way dissatisfied people can communicate their dissatisfaction is with "voice," so that "the role of voice would increase as the opportunities for exit decline" (Hirschman 1970: 34). Thus, in situations where one

cannot exit or the cost of exit is particularly high (such as membership in one's family, state, or church), the "voice" option is the only way to express displeasure.

When both "exit" and "voice" are options, the decision to exit or remain will be affected by how effective "voice" would be. If workers "are sufficiently convinced that voice will be effective, then they may well postpone exit...[T]herefore, exit can also be viewed as depending on the ability and willingness of the [workers] to take up the voice option...[since] once you have exited, you have lost the opportunity for voice, but not vice versa" (Hirschman 1970: 37). Other research, such as that on whistle-blowers, demonstrates that sometimes workers go outside their organization and whistle-blow only after their voices have been ignored by the supervisors they turned to (Rothschild and Miethe 1999). This supports Hirschman's argument that exit is closely linked to voice.

Loyalty is the key to understanding which conditions favor "exit" versus "voice." Sometimes "loyalty" is defined as a possible action, similar to "acquiescence," while others read Hirschman as defining "loyalty" as a contingency that shapes outcomes, rather than an outcome itself (Dowding, John, Mergoupis, and Vugt 2000: 447). This paper embraces this *second*, and more frequently used, definition of Hirschman's "loyalty." This study defines loyalty as allegiance to a concept outside of the self, such as an organization. The presence or absence of loyalty affects what courses of action individuals will choose, such as whether to continue in an unpleasant circumstance but voice their unhappiness or to exit the unpleasant circumstances.

When Hirschman defines "loyalty" as loyalty to the organization, he posits that people who have an "exit" option will stay and, instead, engage in "voice" if (1) they're willing to forgo the certainty of exit and embrace the uncertainty of possible

improvement and (2) they believe they can influence the organization. In this way, "loyalty holds exit at bay and activates voice" in that it lessens the attractive ease of exiting by raising the cost of exit, making the exertion needed for "voice" less unappealing (1970: 78). Yet, "voice" is most effective when "backed up by the threat of exit" (1970: 82).

High entry costs can affect the timing of "voice" and "exit," although Hirschman emphasizes that high entry costs do not cause acquiescence, but, instead, promote greater voice. Those who have paid dearly to enter will be both disinclined to exit readily or to stay and remain passive, but rather will embrace "voice" to address the problems they see. High exit costs might have a similar effect: those for whom exit demands great sacrifice will be hesitant to exit and will, instead, consider the option of voice (Hirschman 1970).

Hirschman's "loyalty" is often only applied within the context of the organization, i.e., loyalty to the firm itself. Other times, however, "loyalty" is examined both with regard to loyalty to the organization as well as to loyalty to the industry or to industry-related ideals or goals. For example, Perrucci et al. examined whistle-blowing and found that sometimes employees may have less loyalty to the specific firm, but more loyalty to the industry or to certain ideals (Perrucci, Anderson, Schendel, and Trachtman 1980).

Other researchers have explored concepts similar to loyalty, such as allegiance, commitment, and attachment. This study's specific definition of loyalty is somewhat similar to the definition of organizational commitment, suggested by Meyer and Allen (1997), which describes commitment as having three components: affective, normative, and continuance. They define affective commitment as an employee's emotional

attachment to, and identification with, the workplace. Normative commitment refers to commitment out of obligation or feelings of moral responsibility. Continuance commitment – the more rational-choice, cost-benefit component of commitment – is defined as commitment to the organization because the employee needs the income of that job (Meyer and Allen 1997).

The definition of organizational loyalty this project uses somewhat parallels this definition of commitment. Loyalty, as an allegiance to a concept outside the self (as mentioned above) has two components: an emotional/affective component and a goal allegiance component. The emotional/affective component mirrors the affective component of Meyer and Allen: it involves workers' identification with, and emotional attachment to, their workplaces. The goal allegiance component addresses the loyalty employees feel toward an organization when that organization exemplifies or agrees with their own broader goals; this is similar to Meyer and Allen's normative commitment. An example of this would be the worker who feels strongly about the environment and recycling waste and feels great commitment to his recycling job because it's in accordance with his goals regarding helping the environment. This project's theory of organizational loyalty does not have a component that parallels continuance commitment, since loyalty in this context is conceptualized as allegiance which surpasses more self-focused concerns, such as personal income. Throughout my discussion of the data below, I will occasionally highlight how a particular quotation illustrates each of these components

WORKER COOPERATIVES' POSSIBILITIES

Worker cooperatives, organizations in which all employees collectively manage and own the business, pose an intriguing arena for exploration of Hirschman's thesis. Some researchers assert that the benefits of co-ownership and greater participation result in stronger loyalty to the organization, as well as heightened worker satisfaction and greater productivity (e.g., Hodson 2001; Hyde 1991; Kanter 1972; Linehan and Tucker 1983). Members of worker cooperatives may have greater loyalty to their workplaces than employees of conventional businesses due to the members' ideological commitment to this particular type of organization, the "buy-in" cost of putting forward one's own capital to join the business, or both. Indeed, the extant literature demonstrates that simply owning a share of the business (e.g., Employee Stock Option Plans) may not be enough to produce greater loyalty. Collective management and worker participation also appear to be necessary (Cornforth, Thomas, Lewis, and Spear 1988). Indeed, some studies indicate that the opportunity to participate in how one's workplace is run can significantly effect how employees feel towards the organization (Hodson 2001). However, the "flip side" of this greater loyalty is that members of worker cooperatives may also have higher expectations for the organization to which they have entrusted their loyalty thereby increasing the probability of greater dissatisfaction (Rothschild and Whitt 1986).

Usually at least some portion of the coop members self-select into the organization (Rothschild and Whitt 1986). This decision to actively find a cooperative workplace is an example of loyalty before actual employment began. Even a worker, who may have entered the cooperative workplace with little loyalty and commitment, may develop such sentiments once a member. The new experience (in contrast to previous

jobs in conventional workplaces) of greater worker input and freedom to participate in managerial decisions can transform a new member into a strongly committed worker cooperative loyalist (Jackall and Levin 1984). The new experiences with cooperative management, including respect and appreciation from worker-managers, can have a profound effect on how the worker perceives the organization (Hodson 2001).

Sampling and Methods

I used the comparative case method to explore the effect of loyalty on "toleration" (similar to Hirschman's "acquiescence"), "exit," and "voice," particularly "voice" as seen in workplace grievance resolution (Ragin 1987). I interviewed and observed workers in three industries: coal mining, taxicab driving, and organic food distribution. Within each industry, I studied a worker cooperative and a matched conventional business. The industries in this study offered a range of workplace cultures, gender balances, and business objectives. I visited each business twice, observing as well as interviewing workers and achieving variation in interviewees on many dimensions. The duration of the visits ranged from a few days to two weeks.

SAMPLE

I conducted a total of 128 interviews: 18 at HealthBite Distributors, 35 at Organix Coop, 14 at Private Taxi, 20 at Coop Cab, and 41 at Coal Cooperative/Valley Colliery. (Coal Cooperative and Valley Colliery were the same physical mine, but under different ownership and management systems, as explained below.) For each site, Table One provides summary statistics on the interviewees as well as on the organizations,

themselves. I did not identify a specific group of workers whom I knew to have had "disputes" but spoke to all interviewees about their workplace experiences generally. I included a wide variety of interviewees to maximize the range of problems and experiences as well as the variety of solutions and expectations to be included in this study. My sample included present and former employees as well as managers and worker-managers. Interviewees also differed in terms of length of employment, sex, race, age, level of education, socioeconomic status, and section of the particular business. Through careful sampling and the repetition of responses I encountered as interviewees spoke of similar themes, I have become confident that my findings are well triangulated and valid. Although these interviewees are not statistically representative of all the workers at their individual organizations, the diversity of this sample is helpful in developing conceptual models.

Table 1 about here

Selection of Industries and Organizations. The interviewees were drawn from six worksites in three industries: (1) coal mining, (2) taxicab driving, and (3) organic food distribution. The industries ranged from the coal mining industry where the workers are very pro-union, to the non-conformist- or loner-oriented taxicab industry, and the progressively-oriented organic food industry. The industries also ranged from having a predominantly male workplace culture, such as coal mining, to being less explicitly gendered, such as the organic food industry. These differences in workplace culture are somewhat reflected in the industries' different gender balances: 50:1 men to women at

the coal mines, 5:1 in taxi driving, and 1:1 in organic food. Table One provides a summary of the organizational attributes of each business.

All businesses in this study met several key criteria. First, the company needed to have a formal system for grievance resolution. Second, it had to be sufficiently large that a formal grievance system was necessary. For this study, the minimum size of an organization was 30 workers. Third, each business had to be a stable organization with established procedures; none was less than two years old. Fourth, no organization could be part of a larger organization. Additionally, each cooperative included in the study had to be a true worker cooperative – with all employees being equal shareholders and no outside shareholders – not merely an Employee Stock Option Plan (ESOP) company.

Within each industry, I compared a worker cooperative (non-hierarchical workplace in which all workers are co-managers and co-owners) to a conventional, hierarchical business matched in size and gender ratios. The coal mining and organic food distribution were studied in the United Kingdom (U.K); the taxicab industry was studied in the United States (U.S.). Because these two cultures are sufficiently similar, no cross-cultural comparison is included in this study. Admittedly, people are more class-conscious in the U.K., but fundamental disputing culture, as seen in the two legal systems, is sufficiently similar (Wheeler, Klaas, and Rojot 1994).

The businesses are summarized in Table One. I looked at two organic food distributors: Organix Coop, a worker cooperative located in the mid-North of England, and HealthBite, a conventional business located near London. As organic food distributors only, they do not produce any of their products: organic produce or foods made from organic produce and with minimal processing. While some workers in the

industry describe the attraction of these jobs as simply the need for a paycheck, others spoke of their dedication to the organic and whole food movement and saw the jobs as a type of activism. Organix Coop was begun over 20 years ago by progressive college students who wanted to create a better, healthier, more egalitarian work environment. This consciousness of the worker cooperative ideology still permeates the business. Workers at Organix Coop became members after completing a probationary period and being voted into membership by the current members. Once they became members, they received their part of the company's profits, as well as wages, and became "vested" in the company, with each worker owning a single share of stock, regardless of tenure. When they left the cooperative, they would have to sell their share back to the company, generating a type of severance pay.

Both the conventional taxicab company (Private Taxi) and the cooperative taxicab company (Coop Cab) are located in the same Midwestern town, whose alias is Prairieville. Coop Cab was begun over 20 years ago by cab drivers who were out of work due to strikes at two of the city's main taxicab companies. Possibly affected by its location in a Big Ten university town, known for its progressive politics (both cab companies reputably had "overly-educated" drivers, often with advanced, even doctoral, degrees (Langway 1997)), Coop Cab embraced the worker cooperative ideology in trying to create a better workplace, although not as strongly, uniformly, or dogmatically as Organix Coop above. Workers at the cooperative, Coop Cab, became members once they had successfully completed a probationary period as determined by the membership committee. Once members, they shared in the profits of the company in addition to their wages.

Finally, Valley Colliery and Coal Cooperative were "deep-pit" mines, meaning deep underground mining, as opposed to strip mining. The two coal mines in this study were actually the same physical mine under two very different systems of ownership and management. All interviews for both Valley Colliery and Coal Cooperative were conducted several years after the re-opening of the mine as a cooperative. The alias "Valley Colliery" refers to this mine when it was nationally owned by the British Coal Board, while "Coal Cooperative" refers to the mine once it became a worker cooperative. This mine, located in Wales, U.K., was the last deep pit in Wales and one of the few left in the U.K. As such, employment at the mine – both when it was still part of British Coal and after it became a worker cooperative – held important cultural significance for the miners, who deeply identified with the mining occupation. During the period between the closing of the mine by the Coal Board and its reopening as a cooperative, some out-of-work miners took factory jobs, the only other jobs in the area. They described them with much contempt, often saying that they would rather go on government assistance than work there again. Once the mine was re-opened as a cooperative, workers had to become members before they could begin work at the mine. In order to participate, each worker had to buy a single share of the cooperative at approximately $13,000. As with the other two cooperatives, this share entitled the member to profit sharing as well as wages. When the worker left the coop, this share would be bought back by the company.

METHODS

One of the key benefits of qualitative studies is the high validity possible: the researcher can understand the greater context, obtain a large overview, and can

triangulate the accounts of differently situated interviewees with various bases of knowledge. I employed a qualitative comparative case method to study three very different industries, each with one cooperative and one conventional organization. In gathering data for this study, I interviewed workers; observed behavior; read related documents and articles; attended companies' business meetings and, when possible, grievance hearings; and participated in aspects of some businesses (e.g., went down into the coal pit, rode along in the taxicabs).

The interviews ranged from twenty minutes to over five hours, with most lasting between thirty and ninety minutes. At least one especially lengthy interview occurred at each business. All interviews and most site observations were tape-recorded and transcribed, so all quotes used here are direct quotes. These data were analyzed using the qualitative data software NVivo.

The main focus of the interviews was how the interviewee would handle potentially grievable circumstances. Interviewees were asked mostly general, open-ended questions, but with some direct questions, especially as follow-up inquiries. In discussing grievance resolution strategies respondents would often draw on examples from their past experiences.

The transcribed interviews were coded, using NVivo, for various themes. Some of these themes were responses to explicit questions (e.g., "In what ways is your job difficult?"). However, many others were extracted from the responses of interviewees to broader questions (e.g., "How would you describe your job?" "How would you recommend/criticize your job to another worker in the same industry?" "What would you change about your job if you could just snap your fingers and it would be different?") or

to follow up questions to other responses. Thus, many codes, such as "loyalty," were not the result of a direct question or set of questions intended to measure loyalty, but were produced by careful analysis of interviewees' responses to various questions.

Results and Discussion

One key voice mechanism that Hirschman mentions is grievance raising (1970). In this article, I focus on how this specific voice mechanism of grievance raising works differently in organizations with greater and less workplace loyalty. I operationalize "grievance raising" as bringing forward both formal and informal grievances, and define strikes as a type of formal grievance.

After assessing that worker cooperative members truly did hold greater loyalty to their organization than did their counterparts in conventional organizations, I compared how these two groups of workers addressed workplace problems. They mentioned three dispute resolution strategies: raising a grievance ("voice"), learning to cope with the problem (what I call "toleration" and is a rough equivalent of Hirschman's "acquiescence"), and quitting their job altogether ("exit"). Although "exit" and "toleration" are not actually ways to *resolve* disputes, they are strategies workers use to end the conflict in their work lives.

Loyalty

I did not simply assume that members of worker cooperatives would have greater loyalty to their organizations, although the literature strongly indicated this. Rather, I compared the statements of the worker cooperative members with the employees in the

other conventional businesses. The worker cooperative members consistently made statements about their loyalty to the organization (92%). While the conventional business employees spoke infrequently about loyalty, when they did express such sentiments, they spoke of loyalty to the industry as a whole.

For example, a member of the taxicab coop described the high level of loyalty to the cooperative which was echoed by many other coop members.

> Yet they choose to stick with [Coop Cab] because they believe in the cooperative and they feel a loyalty to the cooperative. I think there's something that's very good about that...Because they believe that the way the coops are structured is a lot more beneficial to the workers. And the coops tend to deal with issues that help the community and they're more community-oriented than profit-making. So having a loyalty to that motivation is, in my mind, a better motivation than going someplace where your wages might be higher, but you're not necessarily supporting something that's community-oriented, community-based. [052]

This statement provides a good example of the goal allegiance component of loyalty.

The members at Coal Coop spoke of both loyalty to the organization as well as loyalty to each other. The quotation below offers an example of the affective component of loyalty.

> They're very protective...You can tease yourself and laugh about each other, you know, as a part of the system, but if anybody else tries to hurt [a co-worker], he's one of the pack then and you look after him and defend him before anybody [whether] he is young, he is new in the industry,

[regardless, you've] got to protect him...I think the bond is definitely

stronger underground. But I would say the washery down there, them men

there, have also got a bond, a bond to friendship and loyalty with

themselves. [113]

Similarly, one of the workers at Organix Coop described her loyalty to the organization

as appreciating the uniqueness of the cooperative work environment.

You're part of a special organization...Sometimes it's about this special

feeling because [for example] you're working individually, but you don't

finish until everyone finished. There were so many things that were going

to go out [for shipment]...The work was always done at the end of the day.

And, ideally, it was done as a team at the end of the day. You run around

like mad and helped everybody else...In a [conventional] workplace,

you're expected to just do your own job and go home. No one cares [in

those businesses]. [138]

Thus, the distinctiveness of being a member of a cooperative and the bonds forged with

other members created a great deal of loyalty.

This was not found in the sentiments of their peer workers employed by matched

conventional businesses. For example, one worker from HealthBite provides a concise, if

dramatic, articulation of the sentiment of being simply a hired hand.

If you have a problem, good luck! We've got a complaint procedure we go

to if we got a complaint about something or anything like that. They *try*

and solve it. But, really, we're on our own. [086]

Although the conventional business employees did mention loyalty to the goals of industry (such as HealthBite workers' commitment to organic and whole foods), these workers generally did not mention loyalty to the organization or to co-workers.

VOICE AND LOYALTY

The absence of organizational loyalty among these conventional-organization employees made them less likely to include "voice" in their dispute resolution strategies. In contrast, the presence of loyalty made the worker cooperative members more likely to anticipate engaging in "voice." Comparing each percentage within each industry, the cooperative members are more likely to engage in dispute resolution (how this article is operationalizing "voice") than their same-industry conventional counterparts, as Table Two shows.

Table Three presents the frequencies of the employees in each type of organization, showing how many expressed loyalty and how many in each category indicated voice, toleration, or exit. Table Three presents only the raw numbers, rather than the percentages, to enable the reader to make comparisons across the table. For example, using Table Three, the reader can compare employees who expressed loyalty in each industry, can contrast employees who expressed loyalty with employees who did not express loyalty within a single industry, or can compare the responses of employees in hierarchical and cooperative businesses across the industries. Table Three clearly demonstrates that workers who expressed loyalty were more likely to engage in voice than workers who did not express loyalty and that cooperatives were more likely to have members who expressed loyalty.

Table 2 about here

Table 3 about here

Taxicab Industry The responses of workers in the taxicab industry offer strong support for Hirschman's exit, voice, and loyalty thesis. The members of Coop Cab were much more likely (100%) to describe a type of "voice" (formal or informal grievances) when explaining their dispute resolution strategies, in contrast to those in Private Taxi who less frequently mentioned "voice" strategies (57%). For example, one woman from Coop Cab explained that sometimes one had to speak up and bring a grievance if a decision happened that harmed the cooperative in someway, even if one did not experience that harm directly oneself.

> I felt that [the worker manager] had really screwed up...[That policy decision] totally went against what a cooperative should do. Now, I could have just left it at that...In a way, it wasn't going to really affect me. But I had a duty to say something [and bring a grievance]...Just as [the worker manager] is a co-owner, I'm a co-owner and its my coop, too. [062]

This quotation illustrates both the affective and goal allegiance components of organizational loyalty.

In contrast, workers at Private Taxi were more likely to take a more informal route when they tried to resolve their grievances. A Private Taxi driver explained that people try whatever means they can, with whomever they can, when they attempt to resolve grievances informally.

Everyone goes to whoever they think they're gonna get some satisfaction

from. If someone has a good relationship with [the owner], then they'll

probably go to [him] and see what they can do. If someone has a good

relationship with [the manager], at this point in time, they'll go to [him] to

see what they can do. In some cases, people will go to the dispatcher and

say, 'Hey, you know, listen, I got this problem with this guy that's doing

this other shift, and I feel like he's screwed me over. Or whatever.' [063]

Given the above pattern, it is not surprising that Private Taxi employees were more likely

to have "toleration" among their dispute resolution strategies (36% as opposed to Coop

Cab's 5%). A man from Private Taxi, for example, described how he has come to quietly

accept injustices on the road:

First couple of years I worked here, I'd tell the dispatcher [if another

driver cheated me]...[Now] how do I handle it? I used to complain to the

dispatcher. He said, 'I'll get you another ride.' I said, 'That doesn't settle

nothing!' I told management about it. They didn't do nothing about it.

They didn't reprimand the driver or anything like that. So after a couple of

years, I just ignored it. If somebody's stealing my ride, I'd just say, 'Well

somebody else got the ride.' I just stay real calm because I know it ain't

gonna do no good to complain on it. You can't get uptight about it. [107]

Thus, for some Private Taxi workers, learning to tolerate problematic situations was

preferred to actively trying to resolve the problem.

The pattern for "exit" dispute resolution strategies was the reverse of the patterns

seen with "voice," as Hirschman would have predicted. Thirty-six percent of Private Taxi

employees included quitting in their dispute resolution strategies, while only 20% of

Coop Cab workers did. This twenty-four-year-old taxicab driver explained that the lack

of long-term career potential meant that one could always exit.

> The ultimate thing is, we can always quit. It's just cab driving. It's a nice
>
> job, but it's just a job. It's just cab driving. It's not like it's a profession.
>
> You can always quit. [108]

However, it should be noted that the lack of long-term career potential and minimal exit

and entry costs were also true for the workers at Coop Cab, yet they did not embrace this

"we can always quit" approach. In fact, when Coop Cab workers did say that they would

quit, they often stated doing so because they were loyal to the cooperative and its ideals.

For example, some said that if "wrongful" policies were adopted or poor decisions were

made that they felt compromised the cooperative's integrity, they would quit as a form of

protest. A similar attitude about exit was voiced by the members of the organic food

cooperative, Below, I quote a member of Organix Coop to illustrate this approach.

Organic Food Industry Workers at Organix Coop would talk about how they had

heard about the worker cooperative from friends and intentionally sought out Organix

because they wanted a cooperative work environment. Some described how they had left

more highly paid jobs in the private sector to take a job at Organix to be part of a worker

cooperative. In contrast, HealthBite workers often described their motivation for their job

at HealthBite as focusing on their paycheck. Although some were motivated by a

commitment to the organics movement, others saw their jobs simply as an easily

accessible, low-skill job which provided a decent wage. Most stumbled into their current jobs through word-of-mouth or through answering ads in the newspaper.

Members of the worker cooperative were much more likely (91%) to mention "voice" (formal or informal grievances) as one of their dispute resolution strategies than their counterparts in the conventional organic food company (56%). Sometimes Organix Coop members preferred informal routes:

> I tend not to go to the meetings. I like to chat things up in the pub [with the people involved]. That's just the way I like to do it. [007]

Other times they preferred formal grievance resolution, such as this Organix Coop member who described an instance when he felt frustrated with some aspects of the organization.

> It was just that the department wasn't acting in the way I wanted it to work. My relationship with the department was suffering and I thought that I couldn't get on with my job, so I took the whole of the department to grievance. It turned out that there was something available to me in terms of information or the way my job could be done to work better. So we worked it out quite well...I [had been] frustrated; I [had] thought about just leaving. Find something else...But I stayed and I saw it out. That wasn't the easy path, but stayed because I care [about Organix Coop]. [145]

Rather than quitting or "suffering in silence," he raised a formal grievance against his entire department. His description provides an example of the affective component of organizational loyalty.

The employees at HealthBite were less likely (56%) to attempt to actually resolve their workplace problems, but when they did, they were more likely to rely on resolving

grievance informally (not reflected in Table Two, but see (Hoffmann 2003) for a discussion of formal versus informal dispute resolution in the taxicab industry). For example, one senior woman from HealthBite explained how she engaged in informal grievance resolution on behalf of other workers as well as herself.

> I'm the strong character, so I pretty much stand up for myself...There've been occasions when there've been female members here on some occasions when they felt that there've been injustices and they've come to me. And I've sort of pushed on their behalf because I've worked more closely with [the two owners] and maybe I know them better than some of the other staff. And maybe the staff feel they can't approach the directors or they're not sure how they'll take something or whatever. So I'll quite happily go in there with them or go in there on their behalf and say 'So-and-so is not happy with this,' [or] 'They feel that they should be on a higher rate because of that.' [143]

Although this quote shows a conventional-organization worker who does include "voice" among her strategies, it also highlights how her co-workers do not feel able to engage in the informal grievance resolution that she does. These co-workers were not able to engage in "voice" and eventually exited.

Understandably given the "voice" pattern above, "toleration" strategies were more frequently mentioned by workers at HealthBite (61%) than at Organix Coop (29%). A representative employee at HealthBite explained that often his preferred path is to do nothing.

> If someone else isn't doing their work and I'm doing it all, what I've
> learned in the past, is to just shut your mouth and keep doing it. 'Cause
> that's how it works. I just shut up and keep doing it. [059]

These employees had developed various ways to cope with problems they could not or would not resolve. Their ability to tolerate allowed them to avoid any sort of grievance resolution and to remain in their jobs.

Both the "voice" and "toleration" patterns in the organic food industry clearly support Hirschman's model. The "exit" patterns, however, do not follow the basic "exit-voice framework" but do support Hirschman's broader thesis, as I discuss below. In the organic food industry, a somewhat higher percentage of worker cooperative members mentioned quitting their jobs as a way to resolve workplace problems (23%) than did their counterparts in the conventional company (17%).

Workers at HealthBite who mentioned "exit" as a strategy felt that quitting was an easy option if they found themselves unhappy at their jobs because such jobs are easily replaced and, therefore, quite disposable.

> What I'm getting here, I know I could get in another job. I can go to an
> agency and get another job. So I'm not fighting for a career here. It's just a
> casual job and I'm not gonna fight to keep it. If there was something I
> really couldn't stand, then I would move on. [159]

However, workers at Organix Coop explained that they would quit – not because they could find another similar job easily – but if they felt betrayed by the cooperative. For example, one woman said that if she felt sufficiently upset to bring a grievance, she

would probably leave rather than raising the formal grievance, illustrating irony of the goal allegiance component of loyalty:

> I think if I felt I was in a position where I was wanting to take another member of Organix to grievance, then I probably would leave. I'd just feel that I'd been let down too badly [at that point]. [010]

Thus, although the percentages (23% at Organix Coop; 17% at HealthBite) do not reflect what Hirschman might have predicted with regard to "exit," the reasons for "exit" fit well into Hirschman's thesis. Hirschman asserts that "those [workers] who care the *most* [sic] about the quality of the product and who, therefore, are those who would be the most active, reliable, and creative agents of voice are, for that very reason, also those who are apparently likely to exit first in cases of deterioration" (1970: 47). Therefore, it is interesting to note that Organix Coop, the coop with the greatest cooperative ideology zeal (see above descriptions of businesses), is also the coop where its members report more "exit" strategies. Indeed, the anticipated use of exit by the Organix Coop members in the event of frustration with or betrayal by the cooperative supports Hirschman's thesis in that it is these people, who most care about the organization as a concept, who are also more likely to consider "exit."

Coal Industry The percentages of various interviewee responses within the coal industry offer the least support for Hirschman's thesis in some ways. Yet, in other ways, the industry acts much as Hirschman would predict.

Here, the percentages of workers who mentioned raising a grievance either formally or informally ("voice") was very similar for both the cooperative (100%) and

the conventional business (90%). However, despite this numerical similarity, the range of topics that workers could raise was much greater in the cooperative. One electrician, for example, recounted a formal grievance brought soon after the mine reopened as a cooperative: a grievance about the toilet paper.

> Another thing they wanted changed when we came back as a cooperative was the toilet paper. The toilet paper [the miners used], they were the old government bloody thick paper. A simple thing like that. And the managers, under British Coal, their toilets up there, they had the soft, bloody soft, pink paper. The things like that. Silly little things. But it matters. It says, 'I'm no better than that manager over there and he's no better than me.' [129]

For this miner, raising this grievance, despite its somewhat trivial focus, was important; it demonstrated loyalty (goal allegiance, in particular) to his cooperative's ideal of equality among all members.

The variation between the company's workers regarding mentioning "toleration" as a strategy does support Hirschman's framework. Workers at Valley Colliery were five times more likely to mention developing coping mechanisms as a way for dealing with problems at work as compared to those at Coal Cooperative. However, the union chairman described how occasionally this toleration would build at Valley Colliery and grow into resentment, and eventually explode into formal action ("voice").

> The resentment would build up and build up. Not just one person, dozens and dozens would build, up until one day something minor might happen. And, bang! There's war. It's strike! What the bloody hell?! It's been

building and boiling for months and months because of all those little
incidents that have been happening for weeks and weeks and all of a
sudden, it just blows up, bang! [129]

Other times, the employees would continue silently tolerating disputes, without these
leading to any formal action.

The numbers of workers who mentioned leaving as one of their dispute resolution
strategies ("exit") were identical: none. No one at either Coal Cooperative or Valley
Colliery mentioned quitting as a possible way to resolve workplace grievances. This could
be tied to the workers expressed concern in preserving their jobs and keeping the mine
open, since many deep-pit mines in the U.K. had already been closed. These miners
expressed concern not with simply keeping a job, but in keeping *these* jobs. Many of them
had fathers and grandfathers who had been deep-pit coal miners. For them, deep-pit
mining was part of their identity and their heritage.

I think coal miners universally are very much the same sort of people. [In]
these communities here, probably [for] anybody [who] works in [Valley
Colliery], either their father or grandfather or great-grandfather, uncle or
great uncle, was constantly working [in the coal industry]. They been
brought up not only on coal mining when they are in the mine, but
probably the conversation at their home has been about coal mining and in
the pub on Saturday, and the club on Saturday, are predominantly coal
talk. People say their fathers talk with their uncles -- so what are they
going to talk about? -- they talk about what's happening at work: 'What's

happening in your pit?' 'In my pit?' So predominantly we come from a

coal culture. [113]

Since the workers saw the jobs at the coal mines as precious commodities, it is not surprising that no one mentioned leaving.

In fact, Hirschman says that the amount of loyalty often depends on the person's identification with the organization or group. Dowding et al. (2000) elaborate on this aspect of Hirschman's thesis:

A Londoner may feel loyalty to his country because he is 'British', and

that is one of the ways in which he identifies himself. He may retain that

loyalty to his country no matter how much he disagrees with the policies

of the government representing the country. To exit from such a group just

because he disagrees with the policies of the government is an exceedingly

costly and painful process. Similarly a person may feel great loyalty to the

firm for which she works, despite considering its current senior

management to be fools and buffoons ruining the organization (Dowding,

John, Mergoupis, and Vugt 2000: 447).

Indeed, the workers at both of the coal mines – both Valley Colliery and Coal Cooperative – strongly identify with their particular mine. To leave that organization would mean to have to change their identity, to reconceptualize who they are. Thus, the exit costs are extremely high for both groups of miners, resulting in no one considering "exit" as a possible dispute resolution strategy.

Additionally, as mentioned in the site descriptions of the Sampling and Methods section above, those miners who were forced to take factory jobs (the only other jobs

available) between the time of the mine closing and its re-opening as a cooperative, detested the factory work. They stated that they would rather have no job than to have to return to factory work. This factory work was small-scale assembly of computer parts, what more than one miner referred to as "dainty women's work." In many ways, the only way to maintain their identity, particularly their masculine identity (see Cheng 1996; Connell 1995), was to work in the mines.

Moreover, the mining coop also had the highest entry costs, demanding a $13,000 buy-in by each worker (see Sampling and Methods section, above). Therefore, one might speculate that the members of the cooperative would be even more reluctant than their conventional organization counterparts to exit, although one can't have a rate lower than zero to actually express this.

Conclusion

SUMMARY

This study examined the impact of loyalty on worker dispute resolution strategies. Specifically, it compared high-loyalty workplaces (worker cooperatives) with low-loyalty workplaces (conventional companies). Workers at the high-loyalty workplaces were more likely to include "voice" among the ways they would resolve workplace problems, while workers at low-loyalty companies were less likely. Additionally, workers at low-loyalty companies were more likely to engage in "toleration" strategies (similar to Hirschman's acquiescence), a behavior that involved neither "voice" nor "exit." These "voice" and "toleration" patterns neatly followed Hirschman's "exit-voice framework."

The "exit" patterns, however, were more complicated. In the taxicab industry, the "exit" pattern did follow the "exit-voice framework." In the organic food industry, the worker cooperative members, not the conventional organization's employees, were more likely to include "exit" in their anticipated dispute resolution strategies. Initially, this seemed contrary to Hirschman's thesis. However, the reasons why the two groups of workers considered leaving were very different and support Hirschman's thesis. The worker cooperative members' greater ideological commitment made them, ironically, both more loyal, but also more likely to become frustrated and consider leaving (Hirschman 1970; Rothschild and Whitt 1986).

In the coal industry, workers at both the conventional and the cooperative company did not include "exit" among their dispute resolution strategies. While these zero percentages do not coincide with the "exit-voice framework," a further exploration of this industry shows that these workers' dispute strategies support Hirschman's thesis. This industry had such significant exit costs that the workers in both businesses were extremely reluctant to leave. Working with coal and in the mines was a central part of these workers' identities. To leave these jobs would be to remove a part of themselves. This level of identification keenly affects loyalty (Hirschman 1970).

REFLECTIONS ON HIRSCHMAN

This analysis suggests certain reformulations of Hirschman's model. Therefore, I want to leave the reader with some questions that require additional discussion of the exit-voice typology.

First, although numerous scholars have debated the question of exactly "what is 'loyalty'?" – is it a contingency or an outcome? – several important questions about loyalty remain. Most importantly is an analytic question: from where does "loyalty" come? How should researchers disentangle loyalty that is linked with the organization from loyalty that is linked to self-selection, such as the family socialization found in the coal industry? The mining industry does not fit the classic exit-voice theory and also is the most "socialized" occupation, perhaps giving loyalty a different meaning – e.g., father-son transmission of cultural expectations. Thus, one must ask, how does self-selection into a company or industry – such as the coal miners in this study – coincide with the concept of "loyalty"? Are these workers "pre-socialized" to be so committed even before joining the company? If so, does that present a qualitatively different type of loyalty such that Hirschman's model needs to re-interpret how loyalty could be in place *before* a worker joins the company? Alternatively, can "loyalty" be *created* within an organization (such as in the cooperatives)? The work of Hodson, for example, suggests that how managers treat workers – e.g., whether or not the managers show them respect – can create greater commitment and loyalty from workers. In this way, organizations may be able to "create" loyalty by how their managers choose to act towards their workers. For example, can the opportunity for voice create loyalty, just as loyalty might create the workers' desire to voice their concerns? If loyalty can be created, is this "created loyalty" different from the loyalty that workers may have before joining the company? For example, do the relationships and commitment of the workers at Coop Cab and Organix Coop create a different type of loyalty from the loyalty of the coal miners?

Second, how should scholars take into account the salience of the disputes? How does the degree of salience have an impact on Hirschman's exit-voice thesis? Does the salience of the dispute interact with loyalty in ways that affect the workers' exit-voice options? The whistle-blowing literature says that when employees resort to external authorities because their voice was ignored by their superiors (Rothschild and Miethe 1999), their concerns often involve high-salience disputes (see e.g., Perrucci, Anderson, Schendel, and Trachtman 1980). However other disputes, such as the example in this article of a cab driver stealing another driver's fare, are of less salience. These disputes are important to the individuals involved at that instant, but they are not so salient as to transcend further. The statements by worker cooperative members, such as that by the woman at Organix Cooperative, that they would leave rather than raise a grievance that would destroy their confidence in the cooperative, indicate grievances with great salience. Such disputes with greater salience may speak to the workers' loyalty to the movement or industry ideals, rather than to the company itself. An important expansion of Hirschman's thesis might address this issue of salience and its relationship to loyalty, as well as to the exit-voice choices.

Third, how do the differences in exit and entry costs – in either a particular industry or company – affect decisions to "exit" versus "voice"? How does the type of exit and entry cost matter? For example, how do "psychological exit costs," such as the disinclination to leave a job that is a significant part of one's identity, differ from monetary exit costs, such as the situation in a cooperative in which someone who left would have to forfeit any equity she or he had acquired in the company during her or his

tenure? A reformulation of Hirschman's model might develop a closer analysis of exit and entry costs that takes these differences into account.

IMPLICATIONS FOR APPLICATION AND FUTURE RESEARCH

Implications of these findings include some support for Hirschman's "exit-voice framework." The data demonstrate that workers with greater organizational "loyalty" are more likely to use "voice" when confronted with workplace problems. However, when workers ideological loyalty surpasses their organizational loyalty, and when these two loyalties are in conflict – such as if a cooperative no longer meets its egalitarian goals – even members with high loyalty might resort to "exit." On an applied level, the findings imply that simply creating or finding employees with a high level of loyalty is not sufficient to ensure low turnover. Companies that use motivational techniques to pull employee support behind the ideological goals of the company may experience greater "exit" than companies who simply try to generate high employee enthusiasm for the company itself.

Future research should explore how employees might attempt radical reform in organizations by using a whistle-blowing form of voice. By holding greater loyalty to their industry or to an ethic, than they may have to their organization, some employees might embrace "whistle-blowing grievances." In doing so, they might significantly alter some organizations' objectionable, yet customary, practices and, thereby, significantly alter how both their own organization and their industry do business.

The research findings also imply that high exit costs, such as those found in the coal industry, will affect not only the decision to "exit," but also the decision to "voice."

On a practical level, this underscores that no company or industry can be examined in isolation. The other employment options that are available to workers will have an impact on their dispute resolution strategies. If unemployment rates are high or the available job alternatives are unattractive, workers may be disinclined to choose "exit."

Future research might explore the questions posed above in industries that demand or create different types of loyalty. For example, some scholars have found that certain industries have an almost self-sacrificial type of loyalty, such as nursing and teaching professions (e.g., Abel and Nelson 1990; Grimwood and Popplestone 1993). This type of loyalty in the caring industries might or might not reflect the same patterns as those in the three industries studied here.

Tables

Table 1: Summary of Sites and Interviewees

	industry	type of organization	location	number of workers	number interviewed
Valley Colliery	coal mine	conventional	Wales (U.K.)	252	38** (15%)
Coal Cooperative	coal mine	worker cooperative	Wales (U.K.)	239	41** (17%)
Private Taxi	taxicab driving	conventional	Wisconsin (U.S.)	120	14 (12%)
Coop Cab	taxicab driving	worker cooperative	Wisconsin (U.S.)	150	20 (13%)
HealthBite Distributors	organic food	conventional	London (U.K.)	32	18 (56%)
Organix Coop	organic food	worker cooperative	Halifax (U.K.)	50	35 (70%)

Table 2: Dispute Resolution Strategies:
percentages of employees who mentioned each dispute resolution strategy

	Taxicab Industry		Whole Foods Industry		Coal Mining Industry	
	Private Taxi	Coop Cab	HealthBite Distributors	Organix Coop	Valley Colliery	Coal Cooperative
Voice	57%	100%	56%	91%	90%	100%
Toleration	36%	5%	61%	29%	11%	2%
Exit	36%	20%	17%	23%	0%	0%

Percentages sum to greater than 100% in some cases because the categories are not exclusive; some interviewees mentioned more than one dispute resolution strategy.

note: a "no response" category does not exist. All interviewees provided at least one strategy (voice, toleration, or exit).

Table 3: Dispute Resolution Strategies:
frequencies of loyal and not loyal employees who mentioned each dispute resolution strategy

	Taxicab Industry				Whole Foods Industry				Coal Mining Industry			
	hierarchical		cooperative		hierarchical		cooperative		hierarchical		cooperative	
	loyal	not loyal	loyal	not loyal	loyal	not loyal	loyal	not loyal	loyal	not loyal	loyal	not loyal
Voice	5	3	18	2	6	4	31	1	32	2	41	0
Toleration	0	5	0	1	1	10	7	3	2	2	1	0
Exit	0	5	0	4	0	3	7	1	0	0	0	0

note: raw numbers, rather than percentages, are provided to allow the reader to make comparisons across the table.

note: these frequencies are of the number of statements made and total to greater than the number of

interviewees because several interviewees described more than one dispute resolution strategy.

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