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Dispute Resolution Strategies in Worker Cooperatives and Conventional
Organizations

forthcoming

Nonprofit Management and Leadership

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Abstract

Employee retention and satisfaction are key concerns for employers. In this article, I explore a variety of worker characteristics that affect how workers respond to troubling events and circumstances in the workplace. I examine how workers approach their workplace problems, focusing on the value of workers' loyalty and how this loyalty might affect workers' problem-related decisions. This research suggests that worker loyalty presents an irony for managers, what I call the Ironic Value of Loyalty: workers with greater loyalty are less likely to exit when they encounter workplace problems, decreasing turnover problems, yet, when more loyal workers choose to remain at work, they are more likely to raise grievances – either formally or informally – to confront their workplace problems. Thus, worker loyalty appears to both solve and create problems for managers dealing with worker discontent.

Employers and managers are often concerned both with employee turnover and with employee grievances. This article addresses both of these concerns. Drawing on qualitative data, this study provides insights into why some employees stay and why others leave when they encounter workplace problems. This article also presents the Irony of Loyalty: workers with greater loyalty will stay when they encounter problems, yet they are more likely to be vocal disgruntled employees when these problems need to be addressed. Thus, managers and

employers facing the Ironic Value of Loyalty want greater loyalty because it brings greater employee retention, but then also must contend with the more loyal and more vocal employees who are willing to speak out on behalf of their own and other workers' problems. Moreover, the employees who are particularly committed to the ideological cause of the organization might be more likely to exit over what might appear to be minor difficulties if those employees interpret those difficulties as the organization's failure to fulfill its ideological commitment.

This article builds on earlier research on workplace dispute resolution to explore this irony. Using data from three different industries, I explore how some workers complain, how others stay and remain quiet and passive in the face of workplace problems, how others stay yet come forward with their problems, and how others leave altogether. I argue that workers' feelings of loyalty account for at least some of these differences.

Theoretical Background: Loyalty, Workplace Disputes, and Worker Cooperatives

The core strength of nonprofit organizations is the people they employ. Often, these workers join nonprofits because of commitment to a broader agenda, goal, or ethic of which the organization is a part. As such, employees in nonprofits often enter nonprofit workplaces with a heightened awareness of the values and ethics – implied or explicit – in their own jobs and in their employing organization.

When discussing workers' values and ethics, loyalty is often a key concept, both in nonprofit and in for-profit businesses. How organizations treat their workers may affect which values and ethics the workers demonstrate within the organizations. Cooperatives, being worker-owned, often treat workers better than similar private businesses and, some argue, also enjoy

greater worker loyalty. Loyalty may directly impact, not simply on workers sentiments, but on what actions they take at work.

In confronting workplace problems, people's two courses of action are to (1) leave the organization, i.e., "exit", or (2) stay and express their displeasure, i.e., "voice." Whereas both "exit" and "voice" behaviors can send a similar message to the organization, causing it to improve, voice is the more difficult option for workers (Hirschman 1970). When the "exit" option is unavailable, the only way dissatisfied people can communicate their dissatisfaction is with "voice," so that, as Hirschman explains, "the role of voice would increase as the opportunities for exit decline" (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. Additionally, dissatisfied people could instead engage in "acquiescence," meaning that they would remain "dumbly faithful" to the firm 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.

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" (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.

But when will people stay and "fight," and when will they "cut bait" and leave? Loyalty may be the important factor that shapes whether people will "exit" or "voice" (Hirschman 1970).

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).

Additionally, even workers without great loyalty might force themselves to stay and “voice” – and resist the “exit” option – if their membership in the organization was achieved with substantial difficulty. For example, workers might not exit if positions at the desired workplace were only infrequently available or if, in order to achieve and maintain the position, one must successfully complete a rigorous training and probationary period. These hard-won positions might be more difficult for workers to exit without exhausting the options for voice. Thus, 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. 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).

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 determine the significance for workers' subjective experiences and workplace conduct. After establishing that people in cooperatives have greater loyalty, I then compare how these differences in loyalty between the cooperatives and conventional businesses affect their workers' dispute resolution behaviors.

In this article, I show that members of worker cooperatives express more loyalty to their organization. I also establish the Irony of Loyalty: these workers are more likely to include "voice" as a way they anticipate resolving workplace problems, yet, in most cases, were also likely to steadfastly remain with the organization, even as they disagree with how the organization is being run. In contrast, 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, however, 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, regardless of levels of loyalty.

Sampling and 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. In gathering data for this study, I conducted interviews; observed behavior; read related documents and articles; attended companies' business meetings and, when possible, grievance hearings; and participated in aspects of some businesses.

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.

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).

Worker cooperatives are, in some ways, a midpoint between conventional businesses and not-for-profit organizations in that cooperatives do not fully forget about profits, yet they still maintain a strong social contract with their workers. Cooperatives endeavor to accumulate money for their worker-owners, both as profit and as salary. In this sense, worker cooperatives are aware of profits. However, unlike most conventional businesses, cooperatives need not be

profit-maximizing. Most decision making in worker cooperatives involves other values in addition to concerns about profit, such as worker participation, empowerment, and democracy. Often these values compete strongly with, and sometimes supercede, the concern over profit-making, creating workplaces that often resemble the multi-goal complexities of many not-for-profit organizations.

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. 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 their 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. 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. 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, although they did not receive individual shares that could be sold back when leaving the company.

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 organic food cooperative, 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.

DATA COLLECTION

In conducting this study, 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. 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. All interviews were tape-recorded and transcribed, so all quotes used here are direct quotes. These data were coded and analyzed using the qualitative data software NVivo. 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 employees use when dealing with problems at work is grievance raising (Hirschman 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%). The conventional business employees spoke infrequently about loyalty and 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 loyalty was not found in the sentiments of 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. 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 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 some way.

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 woman believed that sometimes one must bring a grievance, even if one did not experience that harm directly oneself.

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%).

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.

Worker cooperative members 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%). Thus, 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 grievances informally (not reflected in Table Two, but see Hoffmann 2003) for a discussion of formal versus informal dispute resolution in the taxicab industry).

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 yet 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. 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.

Thus, although the percentages (23% at Organix Coop; 17% at HealthBite) do not reflect the classic Ironic Value of Loyalty with regard to “exit,” the reasons for “exit” still support this theory. Previous research has noted 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” (Hirschman 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 offers an interesting twist on the Ironic Value of Loyalty 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 to his cooperative’s ideal of equality among all members.

Additionally, 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.

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.

[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...We come from a coal culture. [113]

Because these workers saw the jobs at the coal mines as precious commodities, it is not surprising that no one mentioned leaving. Indeed, the workers at both of the coal mines – both Valley Colliery and Coal Cooperative – so strongly identify with their particular mine that 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.

In addition, as discussed 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 cannot have a rate lower than zero to actually express this.

Conclusion

By examining these data, we see some support for the classic Ironic Value of Loyalty and Hirschman's "exit-voice framework." This has important significance for workers' subjective experiences and workplace conduct, particularly in the nonprofit sectors. Employees in nonprofit jobs may be more likely to have come to their positions with certain ideological goals in mind. Indeed, some employees may even actively seek out jobs specifically within certain nonprofit sectors as a demonstration of their ideological commitment. Similarly to the workers in cooperatives, these nonprofit organization employees might enter their jobs and embrace their jobs with a higher level of loyalty, yet might also hold their organizations to higher ideological standards.

The data demonstrate that workers with greater organizational "loyalty" are more likely to use "voice" when confronted with workplace problems. This means that workers who are very loyal to the organization are more likely to raise issues and actively confront problems they perceive in their workplace. While constructive criticism and concern from committed workers will enhance the organization, managers and employers should not be disheartened or surprised by this. Even though this raising of informal and formal grievances by loyal employees might cause disruptions to the organization, if addressed correctly, this feedback can improve the organization.

However, when workers' ideological loyalty surpasses their organizational loyalty, and when these two loyalties are in conflict, even members with high loyalty might resort to "exit." The data discussed above illustrated this with the situation of a cooperative that no longer meets its egalitarian goals and, therefore, its most ideologically loyal employees become more likely to exit. This situation is also a concern for the nonprofit sector, where employees perceive the organization as no longer fulfilling its ideological promises or falling short on its goals in whatever industry it operates.

Thus, this article provides some concrete insights for managers and employers in nonprofit organizations. The findings imply that simply creating or finding employees with a high level of loyalty is not sufficient to ensure low turnover. Additionally, nonprofit companies that use motivational techniques to pull employee support behind the ideological goals of the organization (in order to increase productivity, heighten commitment, etc.) may actually experience greater "exit" than companies who simply try to generate high employee enthusiasm for the company itself. Thus, the Ironic Value of Loyalty suggests that the nonprofit with the greatest employee loyalty to its cause might experience the greatest employee disruption: both through "protest exits" and through formal and informal grievances.

This article's 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." Thus, managers and employers of nonprofit organizations should assess how valuable their positions are to their employees. To what degree do the employees consider working at a particular nonprofit organization a rare opportunity or just a paycheck?

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 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.

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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