

# Some Social Psychological Effects of Direct and Indirect Participation in Ten Swedish Companies<sup>1</sup>

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## Abstract

Sweden has introduced schemes of participation widely in its industrial and business organizations. We present in this article data concerning some of the social psychological effects of two forms of participation, indirect and direct, in ten Swedish factories. Indirect participation entails decision making through representatives of the employees; direct participation entails decision making by the employees themselves.

Theories propose that participation has the effect of enhancing member reactions such as sense of commitment, favourable attitude and satisfaction in the company and of reducing dysfunctional reactions such as absenteeism. The data from these companies appear consistent with the above theories insofar as direct participation is concerned but not with respect to indirect participation. The data support the view that participation is likely to have the predicted effects on the reactions of members to the extent that participation is felt as a personal experience. Members are likely to feel committed and satisfied, first and foremost to the extent that they perceive themselves personally to have authority to make decisions; second, and in lesser degree, to the extent that they perceive their immediate work group to make decisions, and hardly at all to the extent that they perceive that decisions are made by representatives. These findings are consistent with conclusions drawn earlier by a number of researchers. They are inconsistent with the expectation underlying the laws of participation in Sweden (and in most other countries of Europe) insofar as these laws mandate indirect participation exclusively and are formulated with the expectation that such participation will have the positive psychological outcomes that many advocates of participation claim.

## Introduction

Sweden has introduced schemes of participation widely in its industrial and business organizations. All Swedish companies have at least one, and very often several, participative bodies. These bodies are either required by law, are a part of a nationwide agreement between union and employer associations (which agreement in Sweden is almost as binding as law), or they are a result of agreements, implicit or explicit, between a company and its employees. We present in this article data concerning some of the social psychological effects of some of these schemes in ten Swedish factories.

Arguments concerning the effects of participation have been published widely and we therefore shall not repeat them here (see, for example, Katz and Kahn 1978; Locke and Schweiger 1979; Dachler and Wilpert 1978; Nightingale 1979,

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1982; Rubenowitz 1974; Tannenbaum 1966; Walker 1974.) Our point of departure is that participation may take on different forms and that the effects of one form may differ from those of another. We shall be concerned with two general forms, indirect and direct. In the former case, participation occurs through representatives of the employees, while in the latter, the employees themselves have some decision-making authority and/or they personally take part in participative deliberations. Participative bodies in the case of indirect participation usually include representatives from different parts of the company and these bodies are therefore concerned with companywide policies regarding topics relevant to the welfare of employees, like the production plan, working conditions in the plant, or personnel policy. Direct participation, on the other hand, usually involves members through their work group or through their relationship with their supervisor. Such participation, therefore, usually concentrates on issues of immediate concern to employees at their workplace.

Our analyses have been designed to explore two general questions:

1. Do members in companies that have a substantial formal system of *indirect* participation differ from members in companies with a less substantial system with respect to (a) their perception of decision making (i.e., participation) in their company, and (b) psychological outcomes such as their commitment, favourable attitude and satisfaction regarding the company, that theories in the literature propose are associated with participation?
2. Do members in companies with a *direct* form of participation (in addition to some degree of indirect participation which is common in all Swedish companies) differ in the above ways from members in companies that do not have a direct form of participation?

Answers to these questions, we believe, may have practical as well as theoretical significance. The participative procedures required by law in Sweden (and in most other countries where participation is required) are exclusively representative and, therefore, indirect. Models based on social science theories and research, on the other hand, prescribe primarily direct forms of participation. The latter models imply that direct involvement by members is necessary if the positive effects of participation on members' motivation and satisfaction are to be realized.

### **Indirect and Direct Forms of Participation in Sweden**

Several participative bodies illustrate forms of indirect participation that are common in Sweden.<sup>3</sup> One is a *union-management steering committee* that is an outcome of the 1977 Swedish Act of Codetermination. This act requires that the management of a company inform its union(s) of its intention to make any change that might be important to the employees. Accordingly, a union-management steering committee has been established in many companies as the means through which the company keeps its employees informed about its

intentions. Should the company make a change without informing the union, the latter has recourse to the National Labor Court that will levy a substantial fine against the company if it finds the company remiss in its obligation to inform its employees. The joint committee is more than a unilateral means of communication, however, since the union will indicate its support or opposition to changes proposed by the company and a detailed discussion between the two parties is likely to take place. The union has access in these discussions to all relevant information about the company, financial as well as technological. While the union representatives do not have formal decision-making authority, the union may bring the matter to a central arbitration organ that includes representatives of labour and management, if the company chooses to go ahead against the opposition of the union. Discussion within the committee may therefore resemble a negotiation through which representatives of the employees may exercise substantial influence over company actions.

The *board of directors* of a company illustrates another common participative body in many companies since unions have the legal right to seats on the board of any company of at least 25 employees. Although the employee representatives (who are appointed by the unions) constitute only a minority of the board's membership, they may nonetheless participate fully in the deliberations of the board, and they have voting rights along with the other members.

A *safety committee* is a third participative body that exists in many industrial organizations. All companies of at least 50 persons are required by Swedish law to have such a committee composed of a majority of persons appointed by the union(s) in a company and a minority appointed by the company management. Companies of under 50 persons are also required to have a safety committee if the union(s) request it. The safety committee often has its own budget and it has formal authority to enforce its decisions, which are concerned with conditions in the company that may affect the safety of employees.

A *works council* illustrates a further participative body in many companies. Prior to the 1977 Act, a national agreement between the unions and employers required that all companies of 50 persons or more have such a council composed of management persons and representatives of the employees appointed by the union(s) within the company. Works councils are no longer mandated by a national agreement but many companies have nonetheless retained them because of their apparent utility. Works councils provide a forum for sharing information and discussing issues of mutual concern. Such councils have no formal decision-making authority, but they provide a means through which employee representatives might influence management and vice versa.

Many companies are also likely to have an *adjustment committee*, which is recommended (if not required) by law in all companies. The adjustment committee is concerned with solving problems in the company that might be associated with the employment of handicapped persons, problem drinkers, or

persons hurt through accidents. The committee might include an 'expert', such as a doctor or nurse, as well as union and management representatives. Decisions of this committee are advisory to the executive committee of the company.

These groups illustrate participative bodies that have some basis, past or present, in Swedish law or in a central agreement between the parties of the labour market and they all illustrate *indirect* forms of participation: representatives of the employees including blue and white collar workers, not the employees themselves, take part in the discussions of these participative bodies. Formal systems of *direct* participation, in which each employee personally has a role in the decision-making process, also exist in Sweden, although such systems are not as widespread as are the indirect forms. We shall describe one such scheme found in several of the companies studied and therefore relevant to the analyses we shall present.

A number of plants in Sweden have agreements with their unions which establish decision-making groups composed of all members of each work group, along with their supervisor. These decision-making groups are highly formalized in that they are part of an explicit agreement and they have specified rules. A number of principles serve as guidelines for these schemes:

1. Decision making should occur at the lowest possible level in the company. Thus, decisions that affect an individual or a work group alone should be made by that individual or by members of that group. Every effort should be made to achieve a consensus within the group although the supervisor of the group in most cases retains final authority should he or she disagree with others in the group. Decisions that affect several groups might be initiated within one group, but the decision should be made by a group composed of the supervisors of the affected groups along with the superiors of these supervisors. Similarly, plantwide decisions might in principle be proposed at relatively low levels in the organization, but such proposals should be transmitted to the union-management steering committee or some equivalent organ composed of representatives of the union(s) and of management. Thus, while the formal decision-making structure resembles the system of 'overlapping families' and 'linking pins' proposed by Likert (1961) that are designed to enhance the authority of rank and file employees, it differs from Likert's system in that these employees may have substantial impact through one of the labour-management representational bodies. While the scope of decision-making authority of each group is limited to matters that affect the group alone, all of the groups together comprise a system that can determine decisions that apply to the company as a whole.

2. Each group should have a budget of its own, which is designed to foster self determination of the group. The budget provides opportunities for, as well as limits to, self determination. These decision-making groups may adopt the model of the so-called 'autonomous group' according to which the group's technological, economic, and personnel 'inputs', 'throughputs', and 'outputs' are regulated by members of the group within the limits of its budget and the

requirements of the larger organization of which it is a part. Decisions regarding personnel within the group are an important component of the group's prerogatives. The group should be empowered to make decisions or have a substantial say (e.g., by veto right) about work methods, aspects of technology, promotions, transfers, admission of new members, vacation schedules, and leaves.

3. These direct participation groups should be integrated as much as possible with the companywide system of indirect participation. The two systems should work in harmony, each contributing to the effectiveness of the other. For example, any of the indirect participation groups described above may receive proposals from a group engaged in direct participation — or vice versa.

This model of direct participation, which has been adopted in a number of companies in Sweden, bears a striking resemblance, in some of its aspects at least, to models proposed by social scientists. The notions of system theory, organic organization, autonomous groups, sociotechnical systems, organizational families, and linking pins that help to define the model of direct participation are part of the thinking of many Swedish managers, even though the terminology they employ may not always correspond to that of the social scientist. Sweden is a small country and many managers and social scientists in the field of organizational behaviour know one another and communicate often with one another. Managers acquire some of their concepts and some encouragement about participation through business schools, training programmes, and meetings of business associations, such as the Swedish Employers' Association. Equally important in explaining the broad adoption of participation in Swedish business and industrial organizations is Swedish culture itself, which attaches importance to a strong work ethic, along with the relatively equalitarian and democratic values implicit in participation.

### Research Design

As mentioned above, all companies in Sweden with more than 50 employees have some form of representative participation, but in some companies the representative bodies are not very active or influential. Other companies, however, have active and influential participative bodies that illustrate a high level of *actual* or *real* representative participation. We selected ten companies on the assumption that some would be high and some would be low on *actual* or *real* participation. A measure of such participation was then obtained in each company through interviews with the president, production manager, personnel manager, all top union officials, and with a key informant in four of the following five participative bodies: works council, joint consultation group, adjustment group, board of directors, and safety committee. The agreement between informants was strikingly high, with interrater reliabilities being on average 0.80.

The items of information collected for each representative body in a company,

which items were the basis for rating the company's actual (indirect) participativeness, concerned the level of activity of the representative body, its formal decision-making power and the nature of the decisions it makes. These items are described in more detail in the Appendix. The measure places the ten plants on a continuum of participativeness but we divided the companies into two sets for purposes of analysis, a relatively participative and nonparticipative set, depending on whether a company falls above or below the median score of all companies.

The measure of *direct* participation in a company, on the other hand, is a dichotomous one — the company either has a direct system or it does not — and is based on (a) the existence of a formal agreement between the company and the union, consistent with the above principles, and (b) explicit evidence of direct, participative decision-making groups in the company. Three of the ten companies in this research have such a direct system of participation.

In addition to the above measures of direct and indirect participation based on information obtained from key informants, data were gathered through a paper and pencil questionnaire administered to all employees including managers within production, maintenance, and control in each company. The questionnaire was administered within the plant during working hours and the response rate varied from 85 per cent to 90 per cent among the ten companies. Several items in this questionnaire were designed to measure employees' perceptions of (a) their personal decision-making authority, (b) the extent to which decisions are made through the work groups to which they belong, and (c) the extent to which decisions are made through representative bodies. We refer to these measures (which are presented in the Appendix) as applying to the perception of decision making at the individual, group, and representative levels respectively and we take the measures to imply information about employees' perceptions of the directness of their involvement in decision making. Decision making at the individual level is the most direct; decision making at the representative level is the least direct.

The dependent variables — the predicted psychological effects of participation — were, with one exception, also measured through the questionnaire administered to all employees. These variables, the measures of which are presented in the Appendix, include commitment, favourable attitude, and satisfaction regarding the company. In addition, objective data concerning absenteeism were available as departmental averages from the records of 25 departments in five of the companies. Because these data are limited to five companies they do not lend themselves to comparisons between the more and less participative (direct or indirect) companies. Analyses of these data can nonetheless provide information about the relationship between absenteeism and employees' perceptions of participation at three levels — individual, group, and representative.

The plants in the study vary in size from 55 to 1,100 members with an average of 362. There are no systematic differences between the participative and less participative organizations (direct or indirect) in their average size, sex

Table 1  
Plant Characteristics

| Plant number  | 1   | 2       | 3        | 4                | 5       | 6       | 7                | 8       | 9       | 10               |
|---|-----|---------|----------|------------------|---------|---------|------------------|---------|---------|------------------|
| Product   |     | Metal   | Plastics | Food             | Metal   | Metal   | Food             | Metal   | Food    | Food             |
| Ownership   |     | Private | State    | Producers' coop. | Private | Private | Producers' coop. | Private | Private | Producers' coop. |
| Direct participation  |     | Low     | High     | High             | Low     | Low     | Low              | Low     | Low     | Low              |
| Indirect participation                                      |     | Low     | Low      | High             | High    | High    | Low              | High    | Low     | Low              |
| Number of employees   | 145 | 215     | 210      | 550              | 682     | 242     | 55               | 276     | 1100    | 142              |
| Number of respondents in production/maintenance and control | 78  | 81      | 118      | 161              | 306     | 135     | 23               | 139     | 555     | 53               |

composition, skill level of employees, or rural–urban location. Table 1 presents information concerning the level of participativeness (direct and indirect) of each company along with its type of product, ownership, number of employees, and number of respondents.

## Results

Our analysis is designed to determine whether persons in companies that are relatively participative perceive their companies to be more participative than do persons in less participative companies and whether the former persons are more satisfied in and more favourably disposed toward their companies than are the latter persons. The answer to these questions, insofar as *indirect* participation is concerned, appears to be negative. We are able to detect no significant differences between members in the relatively participative and non-participative companies in their perception of participation or in their satisfaction or motivation. Differences do appear, however, when companies with *direct* participation are compared to companies without direct participation.

Table 2 presents the above comparisons. Rows 1–3 show the average responses on a five-point scale to three questions concerning decision making at the individual, group, and representative levels regarding a number of topics in the company such as the allocation of tasks, the making and evaluating of budgets, accident prevention, and the promotion and transfer of employees (see Appendix).

The measures shown in Table 2 are concerned with direct as well as with indirect, representative participation. All companies in Sweden include some scheme of indirect participation, although in some cases the scheme may be more nominal than real. The data of Table 2, in fact, suggest that in the view of employees, decisions are actually made or influence is exercised more substantially by members as well as by their representatives in the companies with a scheme of direct participation than in companies without such a scheme. Thus companies that differ according to our criteria of *indirect* participation do not appear to differ in the way members perceive either direct or indirect participation. On the other hand, companies that differ according to our criteria of *direct* participation differ in the way members perceive both direct and indirect participation, although the differences are small. (Two of the three companies with schemes of direct participation were initially rated by company informants to have relatively participative representative bodies.) One of the principles of the direct, 'organic' model of participation in these Swedish plants is that such participation should be complementary to and thus should strengthen the company-wide system of indirect participation. The data of Table 2 suggest that the direct system of participation in these plants may be having this intended effect.



Table 2  
Perceived  
Participation and  
Reactions of  
Members in  
Companies with  
Formal Systems of  
Direct and  
Indirect  
Participation

|                          | Direct Participation            |                                 | Indirect Participation          |                                |
|--------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------|
|                          | Relatively<br>high<br>(N = 360) | Relatively<br>low<br>(N = 1289) | Relatively<br>high<br>(N = 822) | Relatively<br>low<br>(N = 827) |
| Perceived Participation  |                                 |                                 |                                 |                                |
| Individual level         | 2.33                            | ** 2.08                         | 2.12                            | 2.15                           |
| Group level              | 2.29                            | ** 1.95                         | <b>2.02</b>                     | 2.03                           |
| Representative level     | 3.05                            | ** 2.83                         | <b>2.92</b>                     | 2.84                           |
| General Commitment       | 3.51                            | ** 3.30                         | <b>3.32</b>                     | <b>3.36</b>                    |
| Company Spirit           | 3.85                            | ** 3.65                         | 3.75                            | 3.66                           |
| Sat w/Company Policy     | 3.48                            | ** 3.20                         | <b>3.26</b>                     | 3.27                           |
| General Job Satisfaction | 3.49                            | ** 3.23                         | 3.30                            | 3.27                           |

\*  $p < .05$ , two-tailed test  
\*\*  $p < .01$ , two-tailed test

The remaining rows of the table present data concerning variables that are presumed by theories of participation to be affected by participation: general commitment, company spirit, satisfaction with company policy, and general job satisfaction. Each of these variables is measured by an index, the components of which were determined by a factor analysis on responses to questionnaire items. In general, the items included in an index have factor loadings of more than 0.40. We present in the Appendix the two items with the highest loadings for each index, to illustrate the content of the index. Each questionnaire item was answered in terms of a five-point scale.

Companies with formal systems of direct participation are significantly higher on each of the dependent variables than companies without such systems of participation, although the differences between the two sets of companies are not large. In the case of companies that differ in indirect participation, however, with one minor exception, no difference could be detected on these dependent variables.

Our analysis attempts to distinguish between direct and indirect participation, although it does not deal with pure cases of either one. The five companies that are defined as high in indirect participation include two companies that are also high in direct participation (and three that are low), while the five companies that are defined as low in indirect participation include one company that is high in direct participation (and four that are low). As Table 2 indicates, we do not find differences in the dependent variables between the companies that are high and those that are low in indirect participation. It seems very unlikely that this failure to find differences is attributable to the fact that two of the companies that are high on indirect participation are also high on direct participation. On the other hand, we do find differences in the dependent variables when we distinguish the plants on the basis of direct participation. In this case two of the three companies that are high on direct participation are

also high on indirect. But we have seen that indirect participation is an unlikely explanation of differences in the dependent variables. Hence we see some evidence in this table that it is direct participation, not indirect, that explains the differences in the dependent variables.

Tables 3 and 4 present data that provide a further basis for evaluating the relative effects of direct and indirect participation. Participation as an independent variable in Table 2 is measured 'objectively', independent of the respondents. The data of Tables 3 and 4 are based on subjective measures. Table 3 shows product moment correlations between the predicted outcomes of participation for members (shown in Table 2) and members' perceptions of participation in decision making at the three levels (that are also shown in Table 2). The highest correlations for all outcomes occur with respect to the respondents' perception that they personally have authority to make decisions; the lowest correlations occur with respect to the perception that decisions are made by representatives. Furthermore, although the correlation is not shown in the table, members' perceptions of their own authority correlates only 0.18 with members' perception of participation through representatives. These responses apparently are not subject to much of a halo effect or response set; on the contrary, members appear to discriminate well between these distinct forms of participation and the results suggest that it is perception of personal authority in decision making more than perception of participation through representatives that is associated with the predicted psychological outcomes of participation. Thus the results shown in Table 3 are consistent with and help to explain the results in Table 2.

Table 3  
Correlations Between  
Perceived  
Participation and  
Psychological  
Outcomes\*  
(N = 1,550)

| Perceived Participation | General Commitment | Company Spirit | Satisfaction with Company Policy | General Job Satisfaction |
|-------------------------|--------------------|----------------|----------------------------------|--------------------------|
| Individual level        | .39                | .25            | .26                              | .53                      |
| Group level             | .27                | <b>.18</b>     | <b>.18</b>                       | .36                      |
| Representative          | .11                | .12            | .08                              | .13                      |

\* All correlations are significantly greater than 0 at .01 level of confidence, two-tailed test.

The implications of Table 4 are very much like those of Table 3, although the dependent variable in this case, absenteeism, is based on company records rather than on responses by employees to a questionnaire. Records of short-term absenteeism were available as averages in each of 25 departments of five companies. These data therefore provide a 'hard' criterion against which to test the effects of perceived participation at the three levels. Correlations are based on average scores of participation and absenteeism respectively in the departments but only the first of these correlations is significant statistically. Departments in which employees perceive themselves to have relatively great authority in decision making are likely to be relatively low in absenteeism. There is no indication, however, that departments in which employees

perceive a relatively high level of participation through representatives are likely to have low rates of absenteeism.

Table 4  
Correlations Between  
Perceived  
Participation and  
Short-time  
Absenteeism for 25  
Departments

| Perceived Participation | Short-time Absenteeism |
|-------------------------|------------------------|
| Individual level        | -.53*                  |
| Group level             | -.22                   |
| Representative          | .29                    |

\* The correlation is significantly different from 0 at .01 level of confidence, two-tailed test.

## Summary and Conclusions

Participation is a widely discussed concept in contemporary societies, not least of all in Sweden. Advocates of participation argue that participative decision making is 'democratic' and/or that participation has positive effects on the motivation of members and on the quality of their work life. The data of this research, while limited to ten companies, has implications for these arguments.

Our point of departure is that participation takes on different forms and that the above claims for participation may apply to some forms but not to others. One important variation is that between direct and indirect participation. All companies in Sweden of 50 persons or more have an indirect, representative system of participation, although the participative decision-making bodies in some of these companies may not in fact be active or influential. We have assumed that companies judged by a group of key informants to have active and influential bodies illustrate *real* representative participation, while companies that are judged to have inactive bodies illustrate only a nominal form of participation. We found no difference between these two sets of companies, however, in members' feeling of commitment, attitude toward the company, or satisfaction with their job. Nor did we find significant differences between these two sets of companies in the perception by employees of participation at either the individual, group, or representative levels. Thus while the key informants in these companies agree closely with one another about the level of activity and power of the representative bodies, the employees as a whole do not give any indication that the two sets of companies differ from one another in degree of participativeness.

On the other hand, a comparison of the responses of members in three companies that have a formal system of direct participation (in addition to the mandatory, representative system) with the responses of members in companies that have an indirect system only yields differences consistent with hypotheses about the positive implications of participation. Members in the former companies more than in the latter report a higher level of participation at the individual, group, and representative levels and they are relatively committed to their company and satisfied with their job.

It is possible that the lack of difference in these outcomes in the case of indirect

participation is attributable to error in our classification of the companies based on the judgements of key informants. The informants agree closely with one another about the level of activity and power of the representative bodies in their company, but their judgement might simply reflect shared stereotypes. The degree of (indirect) participation therefore might not in fact be different in the two sets of companies. Yet the analyses that show larger correlations with the psychological outcomes (including absenteeism objectively measured) when the predictor is the employees' perception of personal authority than when the predictor is their perception of the decision-making power of representative bodies add credence to the argument that direct participation has the predicted effects that indirect participation does not have and that participation is likely to have these effects to the extent that participation is felt as a personal experience. Members are likely to feel committed and satisfied, first and foremost to the extent that they perceive themselves personally to have authority to make decisions; second, and in lesser degree, to the extent that they perceive their immediate work group to make decisions, and hardly at all to the extent that they perceive that decisions are made by representative bodies in their company. Thus, the closer the participation is perceived to be to the respondent himself or herself the more likely participation is associated with the effects that are predicted for it.

Studies of participation do not invariably demonstrate positive effects of participation on the satisfaction or other morale-related attitudes of workers. Research by the IDE International Research Group, for example, finds that while workers believe that both direct and indirect participation have 'quite positive' effects (1981b:266), workers' satisfaction is unaffected by the influence of the works council or by the (direct) influence of the workers themselves (1981c). Nonetheless, most of the relevant research supports the hypothesis that participation is associated with workers' satisfaction or other indices of workers' morale, if not with their level of performance (Locke and Schweiger 1979). The data of the present study in Sweden are consistent with this hypothesis for direct, but not for indirect participation. They are also in accord with the conclusions concerning direct and indirect participation drawn by Holter (1965), Emery and Thorsrud (1969) and Thorsrud et al. (1976) in Norway but not with the findings of Bartölke et al. (1982) in Germany. Bartölke et al. do find an effect of indirect participation on the perceived influence of workers. These researchers conclude that Germany may differ from other countries in the responsiveness of persons to indirect participation.

'Indirect participation implies a more centralized system of participation than does direct participation, and it is possible that members of German organizations are more responsive to such participation than are organization members in some other countries. Support for this interpretation is provided by studies that demonstrate the comparatively centralized problem-definition and problem-solving processes in Germany (Child and Kieser 1979; Hofstede 1979; Lammers and Hickson 1979), thus indicating that Germans, more than some other nationalities, are accustomed to and perhaps more receptive to centralization.'

Systems of representative participation need not imply decision making or influence by the workers themselves. Nonetheless, it is indirect, representative participation primarily, not direct participation, that has been and continues to be mandated by law in Sweden as in other countries of Europe. Such participation may satisfy a stereotyped conception about participation, but we see no evidence in the companies of this study that it is likely to have the effect of giving members a feeling of control, or that it is likely to have positive effects on the motivation and adjustment of members. If legislators in countries like Sweden intend to achieve such effects, they may have to consider laws that encourage direct participation as well as indirect, although the formulation of such laws may not be easy. Systems of representative participation illustrate a political type model with which lawmakers are familiar. Direct participation on the other hand, implies a social psychological type model that is unfamiliar to legislators and that may not in any case be as amenable to legal formulation as is representative participation.<sup>4</sup> Furthermore, trade unions at the national level in Sweden have supported indirect forms of participation, while they have shown limited enthusiasm for efforts by management or by social scientists to introduce direct forms. Lawmakers committed to legislation designed to encourage participation and to achieve the positive effects that participation is presumed to achieve in the work organization may nonetheless have to consider models of direct participation. Perhaps social scientists and others who have had experience with such participation in work organizations might have a role to play in helping to formulate such legislation, and in gaining the support of unions for schemes of direct participation.

#### Notes

1. Data used in this article are from the international study, 'Members' Participation in Industrial Organizations' (MPIO). Scientists from five countries cooperated in this project: M. Rosner, U. Leviatan, M. Palgi (Israel); P. Clark (England); H. Thierry, A. Koopman-Iwema (Holland); K. Bartölke, D. Flechsenberger (Germany); S. Rubenowitz, F. Norrgren (Sweden). A. S. Tannenbaum (USA) and D. Nightingale (Canada) shared in an earlier phase of the study. The present authors are responsible for the content of this article.
2. The third author would like to thank the German Marshall Fund of the United States for providing support through a fellowship that enabled him to participate in this project.
3. For a detailed description of industrial relations in Sweden see IDE Research Group (1981a).
4. For an illustration of legislation that is concerned with direct participation as well as indirect see Secretariat of Information SFR of Yugoslav Assembly (1977).

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## Appendix: Measures

### I. *Indirect participativeness — information from key informants*

#### A. Level of activity of each representative body

##### 1. Number of meetings

##### 2. The agenda

Does an agenda exist?

How available is it?

Can workers and others place items on it?

Do all employees receive minutes?

#### B. Decision power

Is the body empowered to make decisions or only to consult?

#### C. Nature of the decisions

##### 1. How important are the decisions that are made?

##### 2. How many persons are affected by the decisions?

The items under 'Level of activity' were scored on two or three point scales. For example, four or fewer meetings were scored one; five to ten meetings were scored two; and more than ten meetings were scored three. The absence of an agenda was scored one; the existence of an agenda was scored two. For the item under 'Decision power', each representative body was rated on a five-point scale from one, 'Only formal consultation; decision is made by others irrespective of the opinion of the body', through three, 'The body can in fact have a substantial impact on the decision, although the formal decision is made by others', to five, 'The body has full decision-making power'. For the items under 'Nature of the decisions', each representative body was rated on five-point scales from one, 'Only decisions about questions of detail that cost very little and/or affect few employees', to five, 'Decisions that have important consequences that are expensive and that affect many persons'. Scores on the scales for each item in each company were summed to obtain a score for the company. Thus, companies with active and influential bodies that make decisions about important issues are considered according to this measure to be relatively high in actual representative participation compared to companies with bodies that are inactive, uninfluential and/or that make decisions concerning unimportant matters at best.

### II. *Participative decision making — questionnaire measures*

#### A. Individual level:

To what extent do you usually have authority to *make decisions on your own* regarding the following topics?

Check (✓) the most appropriate alternative?

|   | To a<br>very<br>high<br>degree | To a<br>rather<br>high<br>degree | To<br>some<br>degree     | To a<br>small<br>degree  | Not<br>at<br>all         |
|---|--------------------------------|----------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Production and Organization</b>            |                                |                                  |                          |                          |                          |
| Allocation of tasks                           | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Choice of methods of working                  | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Choice of work pace                           | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Hours of working, choice of shift, etc.       | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Choice and use of equipment and machines      | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Finance</b>                                |                                |                                  |                          |                          |                          |
| The making and evaluation of budgets          | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Investment in new products and/or equipment   | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Stock control                                 | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Work Environment</b>                       |                                |                                  |                          |                          |                          |
| Work place, light, noise, air                 | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Health care and medical service               | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Accident prevention                           | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Personnel</b>                              |                                |                                  |                          |                          |                          |
| Recruitment among applicants to your job unit | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Training and education                        | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Promotion                                     | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Payment</b>                                |                                |                                  |                          |                          |                          |
| Type of payment                               | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Amount of payment                             | <input type="checkbox"/>       | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### B. Group level:

To what extent are decisions usually made by the whole group of which you are a member regarding the following topics? [The topics and response format for this question are identical to those of the previous question.]

### C. Representative level:

To what extent are decisions usually made by groups, councils or committees composed of management, and elected, salaried and blue collar representatives regarding the following topics? [The topics and response format for this question are identical to those of the previous question.]

## III. Predicted member reactions (question with the two highest factor loadings for each index)

### A. General commitment

To what extent do you really feel involved in the results of your own work?

To what extent do you really feel involved in the results of your department?

### B. Company spirit

Do you like working for this company?

How openly do employees in the company communicate to their superiors?



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C. Satisfaction with company policy

How do you feel about the way your company treats its employees in comparison to what you know about other companies' ways of treating their employees?

What do you think of your work in terms of pay and other fringe benefits offered by the company?

D. General job satisfaction

Do you like the work you are doing in this plant?

How much opportunity is there for you to use your skills and abilities?

Each of the above questions was answered in terms of a five-point scale such as the following:

1. not at all
2. a little
3. somewhat
4. quite a bit
5. very much