XVI. 2002 IRRA BEST DISSERTATION COMPETITION

Formal and Informal Dispute Resolution in Cooperative and Hierarchical Work Sites[1]

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The complex relationship between power and workplace grievance behavior is an important subject for industrial relations scholars. Previously, however, researchers have relied almost exclusively on observations of traditional, hierarchical organizations—even when making broad statements about the fundamental character of workplace disputing. This project moves beyond this conventional wisdom, to consider the question of how power and workplace disputing interact in the *absence* of formal hierarchy. At a theoretical level, this project is important because it helps to disentangle the impacts of hierarchy and power, whereas at a more applied level it provides insights into the feasibility of a key plank in many progressive platforms.

Specifically, this project explores how hierarchical organizations can transform—and even aggravate—disparities in the voicing of grievances as well as illuminates the promises and pitfalls of nonhierarchical or flattened-hierarchy alternatives. I do this by comparing dispute resolution strategies at conventional (hierarchical) organizations and worker cooperatives—i.e., businesses that are managed and owned by their workers, existing to provide employment to their member-employees.

Extant research suggests that organizational structure, ownership, and ideology greatly affect how employees address their problems at work (i.e., their grievance behavior). Because this project draws on several literatures, it ad-

dresses various predictions on dispute resolution in worker cooperatives. Gender and work literature emphasizes that successful dispute resolution is not guaranteed, especially for women and other less-powerful groups, and that organizational innovations that benefit some workers, such as an emphasis on the organization as a whole over a focus on individuals, might disproportionately harm women (e.g., Gwartney-Gibbs and Lach 1994). The organization literature cautions that worker cooperatives might not be a viable alternative to the conventional, hierarchical business. Moreover, these worker cooperatives may be less efficient and less likely to succeed as organizations. If these businesses do struggle into existence and succeed, however, their workers might enjoy such benefits as greater respect and recognition and less labor-management conflict (e.g., Hochner et al. 1988). The grievance behavior literature asserts that greater trust and shared goals facilitate easier and more successful dispute resolution; one might imagine that increased trust and shared goals will be more common in worker cooperatives, where inclusion, equality, and worker participation are officially encouraged (e.g., Tjosvold et al. 1999). The literature on worker cooperatives suggests that evenly distributed formal power and greater worker participation should produce workers—including women and other disempowered groups—who are very able to assert their needs and raise necessary grievances, but cautions that the continued presence of informal power might prevent some grievances from being voiced at all.

Thus, cooperative businesses present a stark contrast to the conventionally organized businesses in that the cooperatives attempt to distribute power evenly, encourage worker control through egalitarian ideologies and flattened management structure, and engage in concerted efforts to minimize power imbalances. (They continue, however, to have many of the goals of conventional businesses, such as profits and efficiency.) Unlike their nearest cousin, producer cooperatives, in which members generally own their own land and equipment and share only in marketing efforts, in worker cooperatives "all the facilities, materials, supplies, equipment, etc., are equally owned collectively by the members. The goods and services are seen as being provided by the coop, not by individual members" (Honigsberg et al. 1982:32).

I focused on worker cooperatives, rather than producer, housing, or consumer cooperatives, because this type of cooperative business offers the most interesting glimpse into the relationship between dispute resolution and power dynamics.[2] Grievance resolution and the power around it are most complex at worker cooperatives because workplaces generally have greater power inequalities than producer/agricultural, housing, and consumer organizations. Workplaces operate within a hierarchy of power more so than where one lives or where one shops. In addition, workplaces, as the most complicated type of organization in which to experiment with evenly dispersed power, are an abun-

dant source of sociolegal employment issues. Workplaces involve issues of rights, interdependencies, and internal and external pressures, which provide opportunities for particularly rich research on workplace dispute resolution.

In addition, the organizational power imbalances readily accepted at workplaces are not as entrenched and pervasive in other institutions, which, instead, often actively work to mitigate power imbalances. For example, noncooperative (conventional, hierarchical) stores try to be responsive to customer needs and solicit consumer input. Similarly, noncooperative housing might try to give residents a voice in the management of their building. Such involvement of consumers and residents is not considered radical or even unusual; indeed, such efforts for inclusion are considered good business practices and are incorporated by very mainstream, conventional businesses.

Workplaces, however, operate with the philosophy that the best organization is hierarchical and with great deference to power differences, even to the point of emphasizing power inequalities. Through differences in titles, responsibilities, privileges, and pay, employees are allocated different statuses with varying amounts of power. Some argue that hierarchical differences in status are at the core of many businesses' organization. Thus, the differences between consumer cooperatives and conventional stores, and housing cooperatives and other group living situations, are minimal compared to the potentially vast differences between worker cooperatives and conventional businesses.

Some researchers (e.g., Henry 1983; Tucker 1999) have begun to explore grievance resolution in nonhierarchical or flattened hierarchy businesses. Although a few of these researchers assume that such organizations exhibit unique grievance behavior, mainly because of the distribution of power within them, one cannot infer that flattened hierarchies and professed egalitarian ideologies eliminate the impact of power on disputing. Indeed, power in these cooperatives includes official components, as well as unofficial power (Kleinman 1996). Therefore, research in this area must examine grievances with dual foci on official and unofficial power. In this project, I define official power as explicitly stated rights or entitlements, which are often formally written down. Official power is explicit and is formally part of the organization's rules. It is a characteristic of an organization or an industry; therefore, for a given category of workers within a business—or all workers in smaller businesses such as those studied in this project—official power will be uniform. In some businesses, this official power was uniformly low; at others it was uniformly high. Interviewees' official power was consistently equal with the coworkers' within their organization, because I focused on rank-and-file workers' grievance strategies, as opposed to including owners' responses. I examined official power by comparing the explicitly stated rights and entitlements within the worker cooperatives and conventionally organized businesses, inquiring to ensure that

the explicitly stated official power was, in fact, realized. For example, any members could be elected to worker-management positions, so I asked if there were any bars to being elected, such as certain jobs' hours being viewed as incompatible with management meetings. I did not find any inconsistencies with regard to official power.

The official power distribution in a cooperative organization may be more equalized, but the unofficial power may or may not be equally dispersed. Unofficial power may not only contravene the official rules and ideology but may, in fact, contradict the explicit goals of the organization. Some researchers, (e.g., Kanter 1982) assert that unofficial power might be more critical in cooperative contexts than in conventional workplaces. I identified unofficial power through interviewees' reports of power derived from informal sources. I define unofficial power as power derived from more informal sources, such as sex, race, tenure in an organization, or access to organizational information and networks. Unofficial power is not part of the organizational structure in that it exists independent of personnel and, perhaps as a result, is often not explicitly acknowledged. Workers with unofficial power had greater access to organizational information, held more institutional knowledge, maintained strong informal networks, and enjoyed greater access to worker-managers or board members. Through unofficial power, workers could mobilize organizational responses to their disputes through informal means.

Unofficial power consists of both individual and organizational components. Although I am interested in the culture of power and disputing at the organizational level, I measured this at the individual level because disputes, my focus, are individual phenomena.[3] The organizational level of analysis is not simply an aggregate of the power of the individual workers, however, but is part of the organizational structure and culture. Because individuals' amounts of power were affected by the organization's structure and culture, the individuals' dispute resolution styles came out of that organizational culture. Thus, I examined power at both the individual and the organizational level, specifically, individual-level power endowments and organizational power structures. In this way, the actual dispute strategies, the focus of this project, were caused by individual-level power, but this relationship cannot be understood without also studying the organizational structure.

I investigated the relationship between official and unofficial power and formal and informal grievance processing and using a qualitative comparative case method. I defined formal grievances as any disputes resolved through explicit procedures, specifically designated by the organization for the resolution of disputes. These grievances could be between workers, between workers and management, or between workers and the organization itself.

Informal grievances can be similar types of disputes, but they are resolved through negotiation or informal mediation without invoking any formalized dispute resolution procedures.

I compared interviews with 177 workers from eight work sites in four industries—coal mining, taxicab driving, whole-foods distribution, and homecare. In each industry, I studied a matched set of one worker cooperative and one conventional business. These matched organizations are similar in size, industry gender proportions, gender and race proportions within the businesses, and gender of managers. Within each matched set, I compared and contrasted the grievance behavior of the worker cooperative and that of the conventionally managed, hierarchical business.

I found that the worker cooperatives in this study achieved various levels of equality in the day-to-day workings of their businesses. Some allowed certain formal hierarchies of official power since their creation, such as the management structures that are mandatory in the coal industry; others succumbed over time to allow certain groups to retain greater unofficial power, such as the subsets of workers at whole-foods cooperatives who had more unofficial power than their coworkers. My dissertation does not specifically address the degree of success or failure that each worker cooperative achieved, nor does it critique the level of equality initially intended or eventually achieved by each cooperative. Instead, I explored how official and unofficial power affect dispute resolution strategies with specific focus on gender differences in grievance behavior. I made comparisons between cooperatives and conventional businesses and among industries with various gender compositions to draw out the intricate relationships between power, structure, culture, and grievance resolution.

My results demonstrate that the effect of unofficial power on grievance resolution may be more substantial than that of official power, creating unintended workplace cultures not immediately evident from organizations' formal regulations and rules. This is true for both worker cooperatives, where the professed goal was equality, and conventional businesses, with hierarchies of unequal amounts of workplace power. I analyzed cooperatives that had deliberately structured themselves so as to equalize *official* power yet had subsets of their workforce with far more *unofficial* power than other coworkers. For example, all members of the taxicab worker cooperative were officially equal, but men at the cooperative possessed greater unofficial power than women.

This does not mean that unofficial and official power were always in conflict. I also examined cooperatives with officially egalitarian ideologies and flattened structures intended to evenly distribute power, where members did, in fact, have a high level of equality, sharing official and unofficial power. For

example, members of the cooperative coal mine had high levels of both official and unofficial power; they had extensive official rights, and they also exercised unofficial power regularly. Similarly, I included hierarchical businesses that made no attempt to create equal, shared power, and whose employees, indeed, had little official or unofficial power, such as the conventionally organized whole-foods distribution company.

The first portion of my research demonstrates how official power and unofficial power affect grievance behavior. Whereas the extant literature argues that the more power workers possess the more likely they will be to use formal grievance procedures, I found that the effect of power on grievance behavior to actually be curvilinear: workers with the least total power were often unable to raise formal grievances, and workers at the other end of the power spectrum were so powerful that they did not need to use formal grievance procedures to resolve their disputes. Workers with little power—official or unofficial—often opted to leave their jobs or learned to tolerate potential grievances, rather than address workplace disputes formally or informally. Workers with official power but little unofficial power were more likely to use formal grievance procedures to resolve disputes, because they did not have the option of informal grievance resolution. Very powerful workers with high levels of both official and unofficial power could choose from informal or formal routes but preferred informal grievance resolution. It is interesting that these categories of workers having (1) little unofficial and official power, (2) great unofficial and official power, or (3) great official power with little unofficial did not neatly coincide with the degree of flattened or hierarchical structure in each workplace. Thus, the effect of unofficial power on grievance resolution was often more substantial than that of official power, creating unintended grievance dynamics that departed significantly from formal organizational policies.

The second part of my research complicates this straightforward model. There, I explore workers at organizations with *different* power structures but *similar* grievance behaviors. These were the workers in the homecare businesses. At each homecare business, the workers had a different amount of power from workers at the other homecare sites, yet all three groups of workers preferred to resolve disputes informally. This illustrates how workplace grievance practices may sometimes reflect the structure and ideology of disputing in the surrounding industry more than the structure and ideology of the particular workplace.

Unlike the workers in the other three industries (coal mining, taxicab driving, and whole-food distribution), where disputes generally involved two parties, the worker and the manager (or another worker), disputes in caring industries involved at least three parties: the worker, the manager (or another

worker), and the client. This greatly changed the dynamics of grievance resolution, decreasing workers' ability to raise formal grievances. In fact, very few workers in any of the three homecare businesses discussed formal grievance strategies. Rather, the worker's concern for the client substantially changed the disputing dynamic, often transforming rights talk into a rhetoric of needs and responsibilities. Thus, this triangular nature of disputes in the homecare industry (i.e., worker-client-manager), as well as the industry's ethic of care, overrides the previously illustrated influence of power on grievance resolution.

Notes

1. This research was supported by a National Science Foundation grant (SBR-9801948).

2. In housing cooperatives, the cooperative, the organization itself usually, owns the building and rents the housing to members (Honigsberg et al. 1982). Many housing cooperatives, in addition to payment of rent, also require services from members, such as housekeeping, cooking, or yard work. The consumers who shop at them, not their employees, own consumer cooperatives. Sometimes called "member discount coops," consumer cooperatives provide goods at reduced prices to those who have purchased a membership (Honigsberg et al. 1982).

3. Power is often conceptualized as a relational attribute, rather than as a characteristic of organizations or individuals. Emerson (1962) for example, views power as relational, in that he understood power "not as a characteristic of individuals but rather as a property of a social relation" (Scott 1992). He asserts that power can only be understood in the context of a relation with another; power is meaningless unless it is power over another, e.g., A's power over B makes B do what B otherwise would not. While I agree with this understanding of power, in this particular study, the relational aspect of power is less important because the relations examined in this project are the same: I focused on only the relation of workers trying to mobilize the behavior of the organization to address their disputes. In other words, yes, power is relational, but I studied only one relation. Thus, while amounts of unofficial power varied across individuals and organizations, I focused on only one type of relationship within which power occasionally varied.

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