

CALL FOR PAPERS: Special Issue of *ILR Review*

**Employee Ownership in the Contemporary Economy:  
Taking the High, Middle, or Low Road for Workers, Firms, and Society?**

**Submission Deadline: September 1, 2025**

**Special Issue Co-editors:**

Edward J. Carberry (University of Massachusetts Boston), [edward.carberry@umb.edu](mailto:edward.carberry@umb.edu)

Douglas Kruse (Rutgers University), [dkruse@rutgers.edu](mailto:dkruse@rutgers.edu)

Andrew Pendleton (University of New South Wales), [a.pendleton@unsw.edu.au](mailto:a.pendleton@unsw.edu.au)

**Summary**

We invite submissions to a special issue of the *ILR Review* focused on deepening our understanding of the impacts of employee ownership on worker, firm, and broader societal outcomes. We welcome papers from all disciplines that use any methodological approach and focus on any form of employee ownership within any context.

**Background**

Over the past four decades, a growing number of firms around the globe have adopted some form of employee ownership (EO). Firms can implement EO through a range of legal structures, and EO is manifest in a variety of common forms, including worker cooperatives offering a democratic alternative to shareholder-oriented capitalism (Cheney et al. 2014), small- and medium-sized enterprises using EO to facilitate ownership succession (Carberry et al. 2024), large multinational corporations using stock purchase plans as a form of incentive compensation (Bryson and Freeman 2018), and high-tech start-ups granting stock options to preserve cash and motivate innovation (Sesil and Kroumova 2007). As the incidence of EO has increased across the global economy, understanding the impacts on employees, labor-management relations, firms, communities, economies, and societies has become increasingly important and a focus of empirical research for scholars across a range of disciplines, such as industrial relations, human resource management, economics, organizational psychology, sociology, and public policy.

The literature has produced a rich set of findings about the impacts of EO. A number of studies have found that EO has positive impacts on employee attitudes (Pendleton, Wilson, and Wright 1998) and behaviors (Jones, Kalmi, Kato, and Mäkinen 2017). In addition, meta-analyses have shown small but positive and strongly significant effects of EO on firm performance, and these findings are robust to diverse research designs,

performance measures, and contexts (O'Boyle, Patel, and Gonzalez-Mulé 2016). A consistent and key finding across multiple studies is that the positive impacts of EO on employees and firms are strongest when EO is implemented alongside HR practices typically associated with the high-performance work system (HPWS) model (Pendleton and Robinson 2010). Other research has found that EO has a positive relationship with employment stability and a variety of worker outcomes such as wages, wealth, and quality of work life (Kruse 2022). Beyond econometric and psychological studies, sociological analyses have found that EO can lead to more equitable distributions of income, wealth, and workplace power (Carberry 2010), with ethnographic work providing important insights into the complex organizational-level mechanisms shaping the extent to which EO disrupts or reproduces existing structures of workplace inequality (Meyers 2022).

Although this large, multidisciplinary literature has generated important insights into the impacts of EO, it has also illuminated a number of theoretical and practical issues that require further investigation. For example, we need more robust empirical evidence about the extent to which many of the positive relationships represent positive causal effects of employee ownership as opposed to selection effects from the types of workers or firms who choose employee ownership. In addition, our explanations for the impacts of EO on worker outcomes have tended to rely on generalist explanations such as agency theory and social exchange theory, but these are more often invoked than subject to robust empirical tests (see Cappelli, Conyon, and Almeda 2019 for an exception). Also, there are a number of formal EO mechanisms, and they can vary dramatically in terms of how employees acquire stock and the associated rights to information, voice, and governance. Most studies, however, have focused on analyzing the impact of only one form, limiting our understanding of how the type of ownership and the rights that come with it shape the impacts of EO.

In addition, although we know that the effects of EO are strongest alongside HPWS practices, our understanding of the mechanisms that explain these relationships remain underdeveloped (Mullins, Weltmann, Kruse, and Blasi 2019). These effects are likely explained by a mix of mechanisms operating at the individual (Pierce, Rubenfeld, and Morgan 1991), group (Kim and Han 2019), and organizational (Meyers 2022) levels. We therefore need empirical research that illuminates the specific causal mechanisms driving the links between EO, HPWS practices, and employee and firm outcomes.

Beyond employees and firms, EO may have important consequences for broader economic, social, and political outcomes. For example, Kurtulus and Kruse (2017) found that EO is related to higher firm survival rates and greater employment stability, which can lead to lower unemployment and reduce recessionary pressures by stabilizing

purchasing power. Other work has found that EO is linked to lower inequality (Boguslaw and Brice 2021), stronger corporate environmental performance (Lee, Kruse, and Blasi 2025), and greater corporate transparency (Bova, Dou, and Hope 2015). In the political sphere, recent studies have suggested that EO can alter how employees engage with formal and informal politics outside the workplace in ways that can strengthen the institutions of civil society (Chen and Chen 2021). However, there remains a great deal we still do not know about the broader impacts of EO on the economy, politics, and society.

Furthermore, the impacts of EO may depend not just on factors internal to the firm but on the surrounding environment, including supportive policies and infrastructure (Mygind 2023). The effects of EO on performance appear to be stronger outside the United States, which may reflect an important role of institutional and cultural differences. Beyond policy and institutions, the effects of EO may also be conditioned by cultural norms related to individualism, cooperation, and risk. Overall, our knowledge regarding how and why the effects of EO differ across national contexts remains in an early stage of development.

Finally, despite the evidence for the range of positive impacts outlined above, EO can also have negative consequences, including excessive financial risk for inadequately diversified employee owners (Kruse 2022), reduced job quality (Dorigatti, Iannuzzi, Piro, and Sacchetto 2024), the creation of new forms of inequality (Klein, Hill, Hammond, and Stice-Lusvardi 2021), and a range of challenges that come with more democratic management structures (Varman and Chakrabarti 2016) and international expansion (Bretos, Errasti, and Marcuello 2018). These findings challenge the optimistic picture presented by the rest of the literature and raise a number of important questions for researchers interested in developing a more holistic view of the impacts of EO.

### **Aims and Scope of the Special Issue**

For this Special Issue, we seek papers that deepen our understanding of the impacts of EO on workers; job quality; management–labor relations; organizational structures and cultures; firm performance; and broader economic, social, and political outcomes. We especially welcome papers that carefully test existing or develop new theoretical explanations for the impacts of EO; provide insight into EO contexts about which little is known; and use innovative approaches, including longitudinal, experimental, and multi-level research designs. We welcome papers from all disciplines that use any methodological approach (quantitative, qualitative, or mixed-methods) focused on any form of EO within any context. Potential questions we hope to engage with in this special issue include (but are not limited to):

- ❖ How does EO connect to the evolving debate over “high road” versus “low road” employment practices? Why are complementary practices related to the HPWS model so important within the context of EO? How does EO interact with other HR policies and practices?
- ❖ How do the impacts of EO differ across the range of ownership mechanisms and what explains this variation?
- ❖ What types of corporate governance structures are the most effective for organizational success and worker empowerment in EO companies?
- ❖ To what extent are trade unions and other institutions of worker representation involved in transitions to employee ownership and representation of employee-owners? What tensions arise in these relationships, and can they be resolved?
- ❖ How do the impacts of EO differ across various types of institutional contexts? What types of public policy and institutional interventions are most effective for promoting the adoption of EO and why? What is the impact of cross-cultural norms on how workers, managers, and stakeholders think about and react to EO?
- ❖ How do isomorphic and mimetic processes contribute to the growth and sustainability of various forms of EO in industry, regional, and national contexts? What is the role of EO networks and support infrastructure? What are the firm-, industry-, and national-level barriers to firms adopting EO?
- ❖ What are the negative consequences of EO for workers, firms, communities, and societies, and how can these be mitigated or avoided?
- ❖ How can EO help to alleviate the inequality expected to arise from the diffusion of AI and other new workplace technologies that are owned by a small group of people (Freeman 2015)?
- ❖ What is the optimal sharing of risk between firms and workers? How do workers and managers navigate the tension between ownership as a financially valuable benefit and a mechanism for empowerment? What are the relationships between participation in EO and financial capability and well-being?
- ❖ How do firms solve free-rider problems that can emerge with EO?
- ❖ What are the broader, secondary impacts of EO on the economy, politics, and society? How do we explain these impacts?
- ❖ How do the effects of EO at one level (e.g., employee) lead to effects at other levels (e.g., firm), and how do we explain cross-level effects?
- ❖ What makes for effective leadership in employee-owned companies?

Prospective contributors are urged to consult any of the guest co-editors regarding preliminary proposals or ideas for papers.

### **Submissions Instructions**

Scholars interested in contributing to the special issue should submit a full paper by **September 1, 2025**.

Please refer to Manuscript Submission Guidelines before submitting your manuscript online: <https://mc.manuscriptcentral.com/ilrr>

Then complete the process through the *ILR Review* online manuscript submission website: <https://mc.manuscriptcentral.com/ilrr>

During the submission process, you will be given the option to identify your paper as a candidate for the special issue. In that space, please type in **Employee Ownership**.

Papers that are deemed of good quality but not selected for the special issue may be considered for publication in a regular issue of the journal.

## References

- Boguslaw, Janet, and Tanya Smith Brice. 2021. Employee ownership: Structuring opportunities for racial wealth building and family well-being. *Families in Society* 103(2):135–50.
- Bova, Francesco, Yiwei Dou, and Ole-Kristian Hope. 2015. Employee ownership and firm disclosure. *Contemporary Accounting Research* 32(2):639–73.
- Bretos, Ignacio, Anjel Errasti, and Carmen Marcuello. 2018. Ownership, governance, and the diffusion of HRM practices in multinational worker cooperatives: Case-study evidence from the Mondragon group. *Human Resource Management Journal* 28(1):76–91.
- Bryson, Alex, and Richard B. Freeman. 2018. The role of employee stock purchase plans – Gift and incentive? Evidence from a multinational corporation. *British Journal of Industrial Relations* 57(1):86–106.
- Cappelli, Peter, Martin Conyon, and David Almeda. 2019. Social exchange and the effects of employee stock options. *ILR Review* 73(1):124–52.
- Carberry, Edward J. 2010. Who benefits from shared capitalism: The social stratification of wealth and power in companies with employee ownership. In Douglas Kruse, Richard B. Freeman, and Joseph Blasi (Eds.), *Shared Capitalism at Work: Employee Ownership, Profit and Gain Sharing, and Broad-Based Stock Options*. Chicago: University of Chicago Press.
- Carberry, Edward J., Jung Ook Kim, Joo Hun Han, Dan Weltmann, Joseph Blasi, and Douglas Kruse. 2024. Feeling like owners: The impact of high-performance work practices and psychological ownership on employee outcomes in employee-owned companies. *International Review of Applied Economics*.  
<https://doi.org/10.1080/02692171.2024.2404882>

- Chen, Katherine K., and Victor Tan Chen. 2021. "What if" and "if only" futures beyond conventional capitalism and bureaucracy: Imagining collectivist and democratic possibilities for organizing. *Research in the Sociology of Organizations*, Vol. 72, pp. 1–28. Bingley, UK: Emerald Publishing Limited.
- Cheney, George, Iñaki Santa Cruz, Ana Maria Peredo, Elías Nazareno. 2014. Worker cooperatives as an organizational alternative: Challenges, achievements and promise in business governance and ownership. *Organization* 21(5):591–603.
- Dorigatti, Lisa, Francesco E. Iannuzzi, Valeria Piro, and Devi Sacchetto. 2024. Job quality in worker cooperatives: Beyond degeneration and intrinsic rewards. *British Journal of Industrial Relations* 62(3):591–613.
- Freeman, Richard B. 2015. Who owns the robots rules the world. *IZA World of Labor*. May. <https://newsroom.iza.org/en/archive/research/who-owns-the-robots-rules-the-world/>
- Jones, Derek C., Panu Kalmi, Takao Kato, and Mikko Mäkinen. 2017. Complementarities between employee involvement and financial participation. *ILR Review* 70(2):395–418.
- Kim, Andrea, and Kyongji Han. 2019. All for one and one for all: A mechanism through which broad-based employee stock ownership and employee-perceived involvement practice create a productive workforce. *Human Resource Management* 58(6):571–84.
- Klein, Felice B., Aaron D. Hill, Ryan Hammond, and Ryan Stice-Lusvardi. 2021. The gender equity gap: A multistudy investigation of within-job inequality in equity-based awards. *Journal of Applied Psychology* 106(5):734–53.
- Kruse, Douglas. 2022. Does employee ownership improve performance? *IZA World of Labor*. 311 doi: 10.15185/izawol.311.v2
- Kurtulus, Fidan Ana, and Douglas L. Kruse. 2017. *How Did Employee Ownership Firms Weather the Last Two Recessions? Employee Ownership, Employment Stability, and Firm Survival in the United States: 1999–2011*. Kalamazoo, MI: Upjohn Institute for Employment Research.
- Lee, Jegoo, Douglas L. Kruse, and Joseph R. Blasi. 2025. Shared capitalism and corporate sustainability: Broad-based employee share ownership, CEO ownership, and corporate environmental performance. *Business & Society* 64(1):163–208.
- Meyers, Joan SM. 2022. *Working Democracies: Managing Inequality in Worker Cooperatives*. Ithaca, NY: Cornell University Press.
- Mullins, Frank, Dan Weltmann, Douglas Kruse, and Joseph Blasi. 2019. Broad-based employee stock ownership: What makes it effective in the management of human resources? *Human Resource Management* 58(6):567–70.
- Mygind, Niels. 2023. Three models of employee ownership: Worker cooperative, EOT, and ESOP – overcoming barriers – important choices – pros and cons. *Journal of Participation and Employee Ownership* 6(3):264–80.



- O'Boyle, Ernest H., Pankaj C. Patel, and Erik Gonzalez-Mulé. 2016. Employee ownership and firm performance: A meta-analysis. *Human Resource Management Journal* 26(4):425–48.
- Pendleton, Andrew, and Andrew Robinson. 2010. Employee stock ownership, involvement, and productivity: An interaction-based approach. *Industrial Labor Relations Review* 64(1):3–29.
- Pendleton, Andrew, Nicholas Wilson, and Mike Wright. 1998. The perception and effects of share ownership: Empirical evidence from employee buy-outs. *British Journal of Industrial Relations* 36(1):99–123.
- Pierce, Jon L., Stephen A. Rubinfeld, and Susan Morgan. 1991. Employee ownership: A conceptual model of process and effects. *Academy of Management Review* 16(1):121–44.
- Sesil, James C., and Maya K. Kroumova. 2007. Broad-based stock options: Before and after the market downturn. *International Journal of Human Resource Management* 18(8):1471–85.
- Varman, Rahul, and Manali Chakrabarti. 2016. Contradictions of democracy in a workers' cooperative. *Organization Studies* 25(2):183–208.