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DOCTORAL THESIS

**EMPLOYEE VOICE AND FIRM PERFORMANCE
ACROSS EUROPEAN ORGANIZATIONAL
CONTEXTS**

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Publications Arising from this Thesis

Some parts of this thesis are the first versions of articles that after a peer-reviewed process have been published or are about to be published in journals or presented at conferences. However, although the articles have co-authors, I made the primary intellectual contribution.

JOURNAL ARTICLES

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FORTHCOMING

Della Torre, E., Wilkinson, A., Gritti, A., “Employee voice: meanings, approaches and research directions”, *Oxford Research Encyclopedia of Business and Management*

CONFERENCE PRESENTATION

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I Chapter

INTRODUCTION

Employee voice (EV) has been a topic of discussion over the years and these mechanisms are widely considered beneficial for organizations (Brinsfield et al., 2009). The concept of EV has evolved from a single form of representation to a broader vision with different channels (e.g., Dundon et al., 2004; Wilkinson et al., 2014). Voice involves different domains and topics (e.g. working conditions, remuneration, policies and procedures, work methods) (Wilkinson et al., 2020), and it is implemented with various mechanisms: formal and informal, direct and indirect, individual and collective. Employee voice is a key topic of research interest for scholars of human resource management (HRM), industrial relations (IR), and organizational behaviour (OB). However, little research has been undertaken to synthesize and aggregate the various strands of literature analysing voice (Mowbray et al., 2015).

This dissertation will provide an in-depth assessment of the current knowledge about the conceptualization of employee voice in various literatures. We offer an integrative analysis of HRM, IR, and OB perspectives with respect to the topic of voice. In addition to comparing the state of the art, we provide scholars with useful insights into future research directions. Then, equipped with insights from the past, we further investigate the outcomes of the implementation of voice mechanisms in the specific context of small and medium-sized firms (in Europe) and in the various representative European contexts. We also assess the role of human capital in the effectiveness of voice mechanisms. This dissertation consists of four essays, each of which will contribute to our goal of improving future research on employee voice. Finally, we will present a brief summary of the structure of the thesis.

Explaining the concept

Voice literature has grown exponentially in the past years (for example Morrison, 2014; Mowbray et al., 2019; Wilkinson et al., 2020; Wilkinson et al. 2014; Zhou et al.,

2019) and the most common classification in the studies is between direct and indirect mechanisms (Wilkinson *et al.*, 2004; Wood and Fenton-O’Creevy, 2005; Lavelle *et al.*, 2010). Direct employee voice mechanisms (DV) allow employees to directly express concerns and views (Zhou *et al.*, 2019, for example via regular meetings between employees and managers; meetings of a committee or ad hoc group; online discussion boards; suggestion boxes; survey). Marchington (2007) identified three main systems for direct EV: task-based participation, upward problem-solving, and complaints to management. *Task-based participation* refers to the amount of say (i.e. the degree of autonomy) that employees have in deciding on their day-to-day work activities, which tasks to perform and how to perform them (Procter and Benders, 2014). It includes mechanisms such as employee involvement, autonomous work groups and self-managed teams, which are increasingly adopted by firms as result of the diffusion of the high-performance work system approach to HRM (Appelbaum *et al.*, 2000; Harley, 2014). This trend has also generated an increasing emphasis on the collective dimension of task participation (often referred to as *team voice*, e.g. Kim *et al.*, 2010; Della Torre, 2019), whereas it may also be the case that companies adopt such voice systems on an individual basis, decentralizing decision-making power to specific individual or increasing employees discretion over their tasks. *Upward problem solving* refers to a range of voice mechanisms “designed to tap into employee knowledge and ideas, typically through individual suggestions or through ad hoc or semi-permanent groups brought together with the specific purpose of resolving problems or generating ideas” (Marchington & Wilkinson, 2005, p. 404). As opposed to task-based participation, which is integral to the job and is part of the daily working life, upward problem-solving is an off-line and often extra-task activity. The typical mechanisms related to this voice system include individual suggestion schemes (rewarded or non-rewarded), quality circles, focus groups, surveys and one-to-one meetings (Marchington 2007; Wilkinson and Dundon, 2010). Finally, direct voice may also take the form of workers *complaints towards management* with regard to its behaviour or performance. This form of voice typically occurs through formal grievance procedures and involves union representatives. Indirect employee voice mechanisms (IV), instead, involve any mechanisms that offer employees the opportunity to exert influence "indirectly" through forms of representation that can be union or non-union (for example work councils, joint consultative committees, Zhou et al., 2019).

In sum, the purpose of developing voice mechanisms can be attributed to the desire to reduce any dissatisfaction workers may feel, but also to capture all ideas and proposals of employees in order to achieve positive results (Dundon et al., 2004).

The effects of employee voice mechanisms

Employee voice mechanisms seem to be beneficial to both the organization and the workers. For instance, scholars indicate that benefits may include improvement in innovation at the organizational level (Kesting *et al.*, 2016), performance (Morrison, 2011), and an increase in the level of motivation and satisfaction in workers called upon to express their ideas and contribute to the decision-making process (Mowbray et al., 2015). For these reasons, encouraging employee involvement is seen as a way to achieve organizational success (McCloskey and McDonnell, 2018). However, despite the proven positive effects, there are some aspects that need further investigation. This research aims to advance knowledge in this sense, examining in depth the consequences generated at the organizational level of voice mechanisms, considering the size of firms and the national contexts.

Little attention has so far been paid to the role of EV in the context of SMEs as scholars have mainly focused on the analysis of large companies rather than small-medium sized firms (e.g., Dundon et al., 2004; Kim et al., 2010; Wilkinson et al., 2018). Empirical research in literature on voice recognizes that HRM practices and in particular, voice mechanisms may vary according to the size of the organization: there may be differences between SMEs and large companies in terms of management style (Sameer and Ozbilgin, 2014). It is generally accepted that one of the characteristics of SMEs is to prefer direct and informal mechanisms (Bull et al., 2010; Gilman et al., 2015). Thus, the prevalence of informal employee relations and the weak presence of unions in SMEs stimulate distinct dynamics in EV mechanisms compared to larger organizations (Sameer and Ozbilgin, 2014). Thus, this study adds value to the literature by exploring the differential and complementary effects of direct and indirect EV on innovation in the context of SMEs.

To date, despite its importance, the study of employee voice remains largely under-theorised and under-researched in exploring the differences between small firms and medium firms. This analysis also offers a clear vision of the distinctive role of employee voice channels in firms with fewer than 50 employees and firms from 50 to 250 employees. A key factor distinguishing them is the different way in which human resource management is approached and the diverse use of employee voice mechanisms.

The institutional context is seen as an element that could influence the organizational results. Consistent with the literature adopting the variety of capitalism approach, the dynamics of EV can vary depending on the context in which the organization is embedded (Brewster et al., 2014). Consequently, understanding EV structure in specific contexts is crucial to being more competitive.

The thesis also emphasizes the importance of leveraging human resources that if involved in the right way, allow for successful results. However, having skills, abilities, and knowledge is not enough for an individual to identify with the organization (Wright and Snell, 1991) but the key to positive outcomes is identifying mechanisms to know how to involve them (Ma et al., 2019).

Focus of the thesis

This thesis aims to investigate how voice is managed within organizations and explain the differential architecture of voice mechanisms. Initially, the dissertation intends to propose a literature review in order to examine the different conceptualizations of voice by comparing various streams of voice literature. This study aims to provide an integrated HRM/IR and OB conceptualization for the purpose of clarifying what we know about EV and which are the main areas of development for future research. Secondly, this research offers an analysis conducted at the organizational level, investigating the perspective of HR managers, rather than the perspective of the employee. In doing so, it seeks to understand how voice practices are designed in individual organizations and how they are used. It also tries to explore how such design of voice mechanisms in organizations may be reflected in firm outcomes. The thesis investigates whether there are differences in the management of voice in small and medium-sized firms separately and what role they play

in influencing the propensity to innovate. Thirdly, through the analysis of employee voice and the role of human capital resources, this dissertation seeks to understand if employee voice can be a way with which high levels of organizational performance can be achieved. Finally, it aims to demonstrate how the national context can be a discriminating element in influencing the content of employee voice and specifically the results at the organizational level.

To synthesize these objectives, Table 1.1 explains the main research questions of the studies conducted.

Table 1.1 Research questions

	Research Questions
Chapter III	<i>What is the relationship between direct and indirect EV and firm innovation in SMEs?</i>
Chapter IV	<i>How does the relationship between EV and organizational productivity vary according to the level of HC?</i>
Chapter V	<i>How does the relationship between EV and firm productivity vary across types of capitalism? What are the contents of different EV mechanisms that are important for their effectiveness?</i>

Structure of the thesis

This thesis is a collection of four papers developed in four chapters (Chapters 2-5).

- *Chapter 2* outlines the state of the art related to the conceptualization of voice in the HRM, IR, and OB literature. We provide a summary of the existing literature to highlight possibilities for future research.

- *Chapter 3* builds on the analysis of data collected through the European Company Survey in 2013 to examine employee voice structures in the context of small and medium sized firms. In this section, we advance theoretical implications to explain the link between direct and indirect employee voice mechanisms and their outcomes in terms of innovation. Moreover, it offers practical proposals to help organizations maximize their propensity to innovate if they involve workers. In this chapter we also outline the results of the empirical survey of European firms also considering small firms and medium-sized firms separately.

- In *Chapter 4*, we empirically explore the relationship between employee voice and performance, considering the moderating effect of human capital in Italy. Specifically, we investigate how this relationship varies depending on whether the presence of human capital is low or high. Through this analysis, positive empirical findings were identified.

- *Chapter 5* focuses on a comparative analysis of three European countries representative of different types of capitalism. This article extends and empirically tests how employee voice is articulated in the countries considered and how voice content can affect organizational outcomes in each variety of capitalism.

- *Chapter 6* represents the conclusion of the dissertation, describing the main findings, and theoretical and useful implications for practice. It also offers limitations and possibilities for future research.

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II Chapter

EMPLOYEE VOICE: MEANINGS, APPROACHES AND FUTURE DIRECTIONS

Summary

This chapter summarises the main characteristics and aims of employee voice, comparing the various concepts developed by different perspectives. Over the years many scholars have focused on voice from different points of view. Voice has been defined in a multitude way and explored from different perspectives in the current debate. Employee voice (EV) refers to all the ways and means that allow employees to have a say in the decisions that affect their work and the overall running of their organization. The main distinction is between direct voice channels, through which employees have the opportunity to express their ideas and opinions directly to managers without the mediation of representatives, and indirect voice channels, through which EV is expressed by representatives, usually elected from the wider group of employees. Voice has been a subject of study in the Human Resource Management (HRM), Industrial Relations (IR) and Organizational Behaviour (OB) literature, developing its own conceptualization. The OB perspective focuses on the informal and pro-social nature of individual EV, the IR approach highlights primarily on the formal structures of collective EV and the competing interests of management and workers, and the HRM approach tends to emphasize the role of direct EV as one component of broader HRM systems that can generate higher organizational outcomes. Analyzing voice by following these approaches in an integrated manner allows for a more complete understanding of the phenomenon. More emphasis should also be placed on the multidimensionality of EV, further investigating how it relates to employee silence. Finally, little attention has been given to an enhanced form of voice such as whistleblowing (voice for ethical reasons). Future research directions are offered at the end this chapter.

Keywords: employee voice, employee voice mechanisms, competing literature, Human resource management (HRM), Industrial relations (IR), Organizational Behaviour (OB), Whistleblowing

Introduction

The literature on Employee Voice (EV) has grown enormously in recent decades and voice systems have become a fundamental issue in management studies as well as in industrial relations due to its pervasiveness in modern organizations. The term employee voice refers to the “opportunities for employees to have a say and potentially influence organizational affairs relating to issues that affect their work and the interests of managers and owners” (Wilkinson et al. 2014, pg.5). It involves different domains and topics, and it is implemented through a variety of channels, i.e. formal and informal, direct and indirect, individual and collective (Wilkinson *et al.*, 2020a).

Despite various efforts to integrate the different perspectives of HRM, OB and IR, each of these literatures has associated different voice meanings, focusing on different levels of analysis. This tendency has led to the creation of what Wilkinson et al. (2020a, p.2) define as “voice silos” in EV research: each research stream considered the concept of voice in a different way.

Unlike the OB perspective which concentrate on the informal and pro-social approaches, the industrial relations approach is normally characterized by a concentration on formal structures for collective voice, often involving a different in interests between management and workers. Moreover, HRM approach tends to emphasize the role of direct EV as a component of wider HRM systems that may generate higher organizational outcomes. This heterogeneity has led EV research to become a “contested” terrain (Johnston and Ackers, 2015), characterized on the one hand by significant accumulation of knowledge, and on the other hand by the lack of common conceptual lenses for interpreting the phenomenon, thus limiting the overall advancement of the field and insights for practice.

We compare OB, HRM and IR to provide a complete overview of employee voice. HRM and OB understanding of voice focus on individual factors, whereas IR

understanding of voice is linked more to factors related to working conditions. Clearly, there is a need to synthesize key components of employee voice through different conceptual lenses. It is thought that voice research will benefit from studying these competing literatures and from information gathered by scholars in each field.

To sum up, this review of the literature focuses on the analysis of competing literature for a better understanding of what is meant by employee voice. First, the definitions and purposes of voice are examined, considering the different mechanisms and systems of voice such as for example direct or indirect mechanisms. Second, we offer the conceptualization of voice according to different points of view, through HRM or OB or IR lenses. We highlight how the three approaches vary according to the level and focus of analysis they adopt, the motives and contents they analyse and the mechanisms they consider. Third, we discuss the multidimensionality of EV and its relationship with employee silence (ES). Employee voice is not considered as the antithesis concept of silence: there may be several reasons why workers decide to not express their ideas and remain silent, and these motives will be analyzed in more detail (Morrison and Milliken, 2000; Van Dyne *et al.*, 2003). EV and ES may therefore be considered as the two extremes of a continuum which denote opposite behaviours that may be explained by several factors, such as for example the presence/absence of EV channels, the approach adopted by management, or the employees' tactics. These issues become particularly critical when ethical issues are considered. Whistleblowing, defined as "an organisational member's (former or current) disclosure of illegal, immoral, or illegitimate practices under the control of their employers to persons or organizations that may be able to effect action" (Near and Miceli, 1985: p.4). Voice stream of research tends to ignore the literature related to whistleblowing, although the purpose (in different ways) is almost similar: to give voice to employees.

We conclude our analysis by identifying some major areas of development for EV research.

The concept of employee voice

To broaden the above definition, we introduce various aspects that describe what "employee voice" means. The term "employee voice" can be traced back to the seminal exit-voice-loyalty theory proposed by Albert Hirschman (1970) who defined voice as "any attempt at all to change rather than to escape from objectionable state of affairs" (pg. 30). The point about voice is that it can be considered as a means to achieve better results, encouraging change (Hirshman ,1970). Voice is therefore considered as an alternative to leave the organization (i.e. exit) that dissatisfied customers (or organizational members) may decide to follow when facing delinquent management: "To resort to voice, rather than exit, is for the customer or member to make an attempt at changing the practices, policies, and outputs of the firm from which one buys or of the organization to which one belongs" (*ibidem*). Afterwards, Freeman and Medoff (1984, pg. 8), adapting Hirschman's theories, define employee voice as "the use of direct communication to bring actual and desired conditions close together [...] discussing with an employer conditions that ought to be changed, rather than quitting the job". The author, applying the exit-voice-loyalty model, emphasized the importance of using employee voice mechanisms for both employees and employer, considering trade unions as the best way to express voice. According to his view, trade unions were able to reduce the quit rates in unionized context. What is common in Hirschman's and Freeman and Medoff's conceptualizations of voice is its change-oriented focus, and its aim to allow workers (or members or customers) to exchange their views with managers.

Since 1970 there has been an extensive discussion on the dynamics of employee voice and each discipline (mainly HRM, OB and IR) (see Wilkinson and Fay, 2011; Budd *et al.*, 2010; Wilkinson *et al.*, 2010) has evolved adopting its own conceptualization of voice, disregarding different perspectives and the advancements developed by other disciplines. Initially the aim was to develop voice systems that would allow workers to be more satisfied and more involved in problem solving at work (Dundon et al., 2004). Indeed, more they feel involved and the greater the sense of belonging (Valizade et al., 2016), the better the result will be in terms of productivity (Glew et al., 1995). Brewster *et al.* (2007) distinguish between involvement and participation, with the former entailing

- at its basic level – the consultation or solicitation of employees ideas and opinion that may be acted on by management or not, and the latter according to employees a concrete and clearly demarcated input into decision-making. Employee voice is referred to “a variety of things to different actors, thus making it an elastic concept” (McCloskey et al., 2018, pg. 175), which includes all mechanisms or systems that allow workers to share their ideas, opinions or have a role in the company's decision-making process (Lavelle et al. 2010, pg.396). Morrison (2014, pg. 174, cited under OB literature) considers employee voice as an “informal and discretionary communication by an employee of ideas, suggestions, concerns, information about problems, or opinions about work-related issues to persons who might be able to take appropriate action, with the intent to bring about improvement or change”. In contrast, the HRM/IR literature typically considers EV as “any formal mechanism by which workers can communicate their views to managements” (Bryson *et al.*, 2006, p. 439) in order to “raise concerns, express and advance their interests, solve problems, and contribute to and participate in workplace decision making” (Pyman *et al.*, 2006, p. 543). Voice arrangements also enable management to examine issues, give feedback and achieve a better understanding of employees’ concerns (Bryson, 2004). A more specific definition is provided by Dundon *et al.* (2004), who discovered four forms of employee voice. “First, voice can be taken as an articulation of individual dissatisfaction. In this situation, its aim is to address a specific problem or issue with management, finding expression in a grievance procedure or speak-up programme. [...] A second strand is the expression of collective organization where voice provides a countervailing source of power to management, through unionization and collective bargaining in particular. [...] Third, there is voice as a form of contribution to management decision-making. Here the purpose is concerned with improvements in work organization and efficiency more generally, perhaps through quality circles or team working. [...] Fourth, voice can be seen as a form of mutuality, with partnership seen as delivering long-term viability for the organization and its employees” (Dundon *et al.*, 2004, pg.1152, see Table 2.1). Wilkinson *et al.* (2010) argue that for a better understanding of the different nuances that these descriptors (i.e. voice, participation, involvement, and similar others) may assume in workplaces it is helpful to deconstruct them according to four dimensions: degree, form, level and range of subject matter. The *degree* reflects the extent to which employees are actually able to influence management

decisions and can range from the simple downward information sharing to the complete employee control over decisions. The progression between these two extremes is represented in Figure 2.1. The *form* refers to the different channels and mechanisms (i.e. policies and practices) through which voice and participation occur. These are discussed in the next paragraph. The *levels* at which voice takes place include the task, the department (or unit), the establishment or the corporate head-quarter. Typically, different levels imply different people involved in the process. For example, it is unlikely that a foreman is asked to share his/her ideas at the corporate board of directors. Finally, the *subjects* may range from very trivial to highly strategic issues. What clearly emerges from this debate is that without voice, participation or involvement cannot exist (Wilkinson *et al.*, 2018).

Another distinction involves the level of formalization of voice mechanism. Specifically, formal voice mechanisms are classified as “grievance processes, one-to-one meetings, speak-up programme, email, open door policy, empowerment by supervisor, self-managed teams, upward problem- solving groups, attitude surveys, staff meetings, team briefings, quality circles, suggestion schemes, joint consultative committee, works councils, continuous improvement teams, ombudsman, mediation, arbitration, internal tribunals, intranet” (Mowbray *et al.*, 2015, pg. 389). While informal voice mechanisms are mainly: “informal discussions, one-to-one meetings, word-of-mouth, email, open door policy, empowerment by supervisor” (Mowbray *et al.*, 2015, pg. 389). However, recent literature tends to neglect such potential synergies and, as a result of the disciplinary silos, it concentrates alternatively and separately on informal (as in the OB literature) and formal (as in the HRM and IR literature) dimensions EV mechanism and channels.

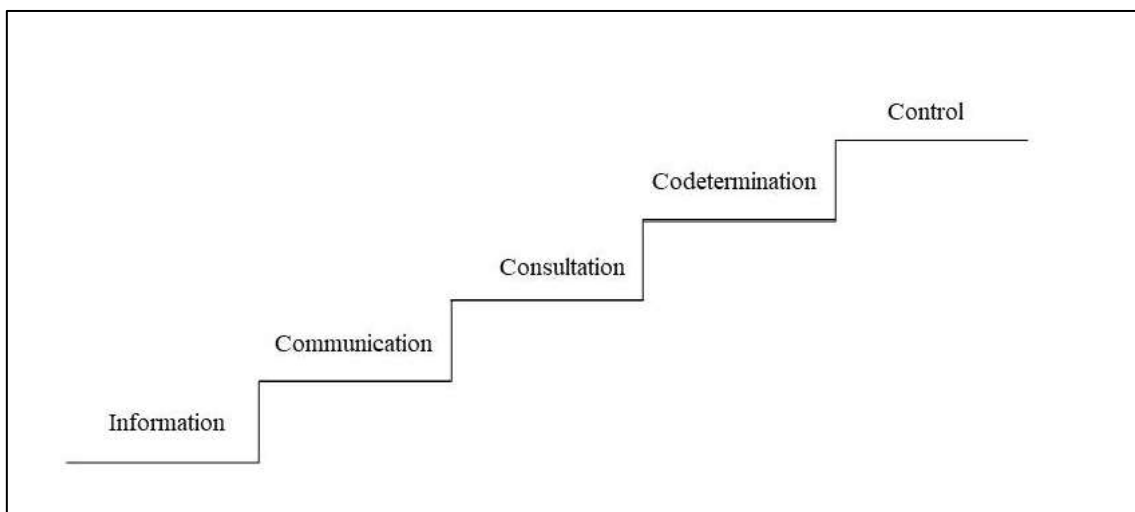
Most recently, Wilkinson *et al.* (2020b) offer a more comprehensive definition, mentioning the variety of voice mechanisms such as: “the ways and means through which employees attempt to have a say, formally and /or informally, collectively and/or individually, potentially to influence organizational affairs relating to issues that affect their work and the interests of managers and owners” (pg. 8). In sum, this is a variety of voice mechanisms that may or may not be based on the individual, referring to trade union or non-union forms. The voice is the expression of employment or organizational issues that cover also conflictual aspects.

Table 2.1. The meaning and articulation of voice

<i>Voice as:</i>	<i>Purpose and articulation of voice</i>	<i>Mechanisms and practices for voice</i>	<i>Range of outcomes</i>
Articulation of individual dissatisfaction	To rectify a problem with management or prevent deterioration in relations	Complaint to line manager Grievance procedure Speak-up programme	Exit – loyalty
Expression of collective organization	To provide a countervailing source of power to management	Union recognition Collective bargaining Industrial action	Partnership – de-recognition
Contribution to management decision-making	To seek improvements in work organization, quality and productivity	Upward problem-solving groups Quality circles Suggestion schemes Attitude surveys Self-managed teams	Identity and commitment – disillusionment and apathy Improved performance
Demonstration of mutuality and co-operative relations	To achieve long-term viability for the organization and its employees	Partnership agreements Joint consultative committees Works councils	Significant influence over management – marginalization and sweetheart deals

Source: Dundon *et al.* (2004, pg. 1152)

Figure 2.1 – The escalator of participation



EV channels and mechanisms

There are many scholars who over the years have contributed to the debate on EV. The literature has extended the concept of voice not by associating it to a single representation channel but to a multitude of channels. For Mc Cabe and Lewin (1992) voice is structured in two: on the one hand, it allows workers to report complaints or problems to managers and on the other, to be part of the decision-making process within the company. Moreover, there is a distinction between mandated voice, which includes, for example, forms of legislation, and voluntary voice as well as collective bargaining (Lewin and Mitchell, 1992).

Millward et al. (2000) distinguish employee voice into three different channels: through union representation; through indirect or representative participation mechanisms such as joint consultation; and through the direct involvement of employees. Moreover, other studies classify EV as either consultative or substantive (Gilman et al., 2015). A consultative approach refers to the solicitation of employees' suggestions on issues relevant to their daily activities and about which they have significant information (Dundon et al., 2004; Kim, 2010). The substantive perspective involves the creation of formal, often permanent structures (such as work teams) as a means to facilitate a role in workplace decisions (Kim et al., 2010).

Over the years, the distinction between *direct* and *indirect* voice channels became the dominant one (Wilkinson *et al.*, 2004; Wood and Fenton-O'Creevy, 2005; Lavelle *et al.*, 2010).

Direct EV mechanisms refer to suggestion-making practices that build broad, open channels (e.g. via regular meetings between employees and immediate managers; meetings of a committee or ad hoc group; online discussion boards) allowing employees to directly express concerns and views (Zhou *et al.*, 2019). Through direct voice, employees have the opportunity to express their ideas and opinions directly to managers, without the mediation of representatives (Holland *et al.*, 2017). Broadly speaking, it refers to those mechanisms "that allow employees to affect workplace issues" (Zhou *et al.*, 2019, p. 255). The direct voice may concern the opinion of the worker and therefore be individual (*individual voice*) or a group of them (*team voice*). Marchington and Wilkinson

(2000) postulated a four-fold schema for direct EV: “downward communications, upward problem solving, task participation, team working and self-management” (p. 345). Direct employee voice mechanisms are fundamentally distinguished in direct communication and upward problem-solving (Budd et al., 2010, p. 304). These two forms of voice “are essentially direct and individually focused, often operating through face-to-face interactions between supervisors/first line managers and their staff. Some take the form of informal oral or verbal participation, while others are more formalized in the form of written information or suggestions” (Budd et al., 2010, p. 304). Specifically, upward problem-solving “incorporates a range of techniques designed to tap into employee knowledge and ideas, typically through individual suggestions or through ad hoc or semi-permanent groups brought together for the specific purpose of resolving problems or generating ideas” for example, suggestion scheme, problem-solving groups etc. (Marchington and Wilkinson, 2005, pg. 404).

Indirect EV mechanisms, instead, refer to corporate governance participation that “enables employees to exert a significant influence on strategic decision-making “indirectly” via trade unions, workers’ congresses, top management meetings, and employee representation on company boards of directors” (Zhou *et al.*, 2019, pg. 255). While indirect EV is also “a broad term that goes well beyond trade unionism and encompasses different representational forms, processes and outcomes” (Brewster *et al.*, 2007, pg.1259) and it “includes all mechanisms based on employee collectives” for example non-union employees representation (NER) such as union work councils, joint consultative committees (Brewster *et al.*, 2007, pg. 1247). *Joint consultative committees* can be defined as “a representative structure (management and employees representatives) dealing with collective concerns regarding work organization and, in some cases, the employment contract” (Pyman, 2014, p. 264). *Work councils* may assume different forms, often depending on the institutional framework in which the company operates. An accepted definition considers work councils broadly as “an institutionalized, representative body [...] that represents the interests of all employees of a company to its management [...] [and] that may be established independently or against the will of management” (Nienhüser, 2014, p. 248) (see Table 2.2). Joint consultative committees and work councils are very similar voice mechanisms, the main difference being in the institutional character of work councils and in the stronger influence that these latter may

have over organizational decision-making (Brewster *et al.*, 2007). It has also been noted that, compared to trade union, NER mechanisms may be considered an inferior or weaker form of voice. Through unions, voice is externalized to a multi-workplace representative body made of union officials who are less susceptible to victimization and more equipped to formulate better-researched bargaining positions, compared to internal representatives elected among employees (Brewster *et al.*, 2007). Scholars have underlined that on one hand individual voice may lead to benefits or improvements for issues of an individual nature, while collective voice associates many recognized as well as some debatable advantages to unionization, including a drop-in revenue, greater employee satisfaction, and a higher output (Allen, 1984).

Table 2.2. Examples of non-union employees representation (NER) voice mechanisms

Forms	Functions	Topics	Representation modes	Extent of power	Degree of performance
Ombud	Communication and Information Flow	Benefits, including Pensions and Health Insurance	Internal to the Firm (e.g., elected representative from among works in the group)	Completely Co-opted by Management	Short-term, Ad Hoc Committee
Joint safety Committee	Production and Organizational Coordination	Safety/Health	External to the Firm (e.g., players' agents in sports)	Scope of Power (e.g., single topic or board authority)	Time-limited, until a Problem is Solved
Dispute Resolution Panel	Employee Morale and Esprit de Corps	Working Conditions	Representatives Appointed by Management	Informal Consultation	Disbandable Structure upon Notice by One or the other Party
Employee-Management Advisory Committees	Cooperation and Common Purpose	Equipment/Capital Issues		Developing the Agenda	
Employee Committee on Board of Directors	Union Substitution	Business Strategy		Ability to Take Action to Promote Positions	
Company-Wide Representation Systems (JIC, JCC)	Union Avoidance	Wages and other Terms and Conditions of Employment		Vote-Taking in NER; majority wins	

Source: abridged from Kaufman and Taras (2010), p.265-266

Competing employee voice

Voice systems have been explored from competing literature (Resource Management (HRM), Organizational Behaviour (OB) and Industrial Relations (IR)) in the current debate (e.g. Wilkinson and Fay, 2011; Mowbray *et al.*, 2015; Kaufamn, 2015; Barry and Wilkinson, 2016; Barry *et al.*, 2018; Nechanska *et al.*, 2020). In the 1990s, McCabe and Lewin (1992), stated that “it is time to meld concepts of voice and participation in the modern employment relationship” (p. 121), as a consequence a split occurred between the afford- mentioned disciplines within the employee voice literature. OB and HRM scholars are interested in understanding how direct EV takes shape within organizations (in terms, respectively, of EV behaviours and effectiveness of EV mechanisms) and IR scholars are focused on analysing collective and indirect forms of EV (Barry *et al.*, 2018). As noted, indirect voice includes forms of collective employee representation such as trade unions or non-union structures, such as consultative committees or works councils. On the contrary direct voice considers more individual mechanisms of voice, for example, task-based participation, upward problem-solving and complaints about fair treatment.

In this section we discuss the main differences among these competing literatures. We focus our attention on the main elements that differentiate between them: levels and focus of analysis, motives, contents and mechanisms.

Levels and focus of analysis

A first important distinction between IR, HRM and OB literatures concerns the levels of analysis. EV may be analyzed at the macro-societal, meso-organizational or micro-individual level (Wilkinson *et al.*, 2018; 2020a). In detail, “the macro level consists of the regulatory framework, which determines organizational policy. The meso level pertains to the voice systems that organizations espouse as well as the extent to which these are utilized in practice. The micro level examines the individual-level motivators and inhibitors to voice, such as

dispositions, attitudes and perceptions, emotions and beliefs” (Wilkinson *et al.*, 2018, pg. 715). The voice mechanisms are part of the first two levels, while the voice behaviour of employees is the focus of the micro level. As noted, in OB perspective, scholars focus on the micro level factors that encourage employee to express their point of view (Barry and Wilkinson, 2016). Adopting one level of analysis or another is an important issue as it implies to focus on specific aspects and factors related to EV. IR literature is mainly concerned with the *macro level* of analysis, focusing on how the institutional and cultural context influences organizational policies with regard to EV (e.g. Kochan, 2007; Gollan *et al.*, 2014; Menendez and Martinez Lucio, 2014). Much of this literature adopts the Variety of Capitalisms approach to analyze how the country’s regulatory framework influence the dynamic of EV in different contexts (Barry *et al.*, 2014; Johnstone and Ackers, 2015; Brewster *et al.*, 2014). A significant body of IR research is also concerned with the understanding of the relationships between EV systems and structures at company level and various organizational outcomes (*meso level*) (e.g. Bryson *et al.*, 2006; Pyman *et al.*, 2006; Addison *et al.*, 2017). This is where the IR and HRM literatures meet, although the emergence and success of the high performance work system approach has fostered a tendency in HRM research to focus on individual, rather than collective, EV as a component of the wider HRM system and to pay much less attention to its role as a single practice or in combination with other single HR practices (Wood and Wall, 2007; Harley, 2014). Though the high performance work system approach has led HRM scholars to devote some attention to collective EV structures, particularly at the team level (e.g. Banker *et al.*, 1996; Kim *et al.*, 2010), the main focus of this stream is on individual voice systems, and particularly on how they are established and managed by organizations and on the extent to which they are adopted in practice (Wilkinson *et al.*, 2020a). Interestingly, while some scholars collapsed HRM and IR in one single literature because of their similarities (e.g. Mowbray *et al.*, 2015; 2019), others argued that the emphasis on employees as individuals, rather than to employees as a collective, put the HRM field much closer to the OB approach than to the IR approach (Godard, 2014; Barry and Wilkinson, 2016; Dundon and Rafferty, 2018). Finally, the OB literature adopts a *micro level* perspective, focusing on EV as an individual and discretionary behaviour of the employee who chooses whether or not to involve in voice behaviour

(Morrison, 2011; 2014). In this perspective, the key issue to understand is how and why employees decide to speak up and share their views with others (typically management).

Motives, contents and mechanisms

HRM, IR, and OB disciplines also differ significantly in how they conceptualize voice in terms of the motivations, content, and mechanisms considered. From an HRM perspective, employees are able to have an impact within their company, but their voice sometimes falls on death ears (Dundon et al., 2004). The focus is on the direct participation of employee in the managerial decision-making and how it improves organizational outcomes (Budd et al., 2010; Marchington 2007; Mowbray et al. 2015). For example, over the past few decades, various forms of direct voice have been found to be associated with a wide range of positive organizational outcomes, such as team innovation (De Dreu, 2002), administrative and technical innovation (Chen and Huang, 2009) or improved and/or a new product or workplace process (Walsworth and Verma, 2007). In the HRM strand, managers chose whether or not to let workers express their voice and also ways in which they do it (Kaufman and Taras 2010). HRM literature also considers EV as a means to reach positive outcomes for both employees and firm performance. Informing employees and providing them with the opportunity to participate to work and organizational decisions by offering their inputs allows managers to have a wider view on problems and make better decisions, and it also makes employees more involved in their work and more committed to the organization (Marchington, 2007; Boxall and Purcell, 2008). McCabe and Levine (1992) were among the first to analyze EV from an HRM perspective and suggested that under this perspective EV contains two main elements. First, through EV employees can express to management their work-related complaints, which in extreme cases may also result in formal grievances filing. Second, EV may relate to employees' participation in the organizational decision-making process. Similarly, Dundon *et al.* (2004) identified two main purposes for EV: to eliminate individual dissatisfaction and to collect ideas and suggestions for the improving organizational performance. It should be said, however, that the rise and success of the high

performance work systems approach, has led HRM scholars to focus mainly on the latter motive, that is on the promotive dimension of EV, rather than on the corrective dimension, which remains dominant in the IR literature

In contrast, the IR conceptualization of voice is mainly linked to trade union (Nechanska *et al.*, 2020), but the outcomes may change according to the nature of industrial relation: for instance, in Germany and Italy, unions generate positive effect (see Addison *et al.* 2017 for Germany and Gritti and Leoni, 2012 for Italy), whereas studies in China and Canada and the US indicate a negative or insignificant effect of unionization on firm innovation.

In IR, there is an underlying assumption that voice is seen as an expression of employees' ideas that are distinct from those of the employer. IR analysis try to find the "depth" of voice effect, what is the influence of workers in the decision-making process within the hierarchical scale of the organization (Wilkinson *et al.*, 2014). Employees wish to express their opinion with regard to decisions that have a material affect their work and safeguard their interest. Voice in IR is mainly studied in collective form through the analysis of union or non-union representation mechanisms. While the HRM perspective focuses on mechanisms that favour the direct involvement of workers such as upward problem solving (Mowbray *et al.* 2015). Although there are many studies on voice systems in IR literature, Morrison (2011, pg 381) argue that "they have not considered discretionary voice behavior, nor the causes or consequences of this behaviour". In HRM and IR stream of literature, researchers tend to consider voice to all those formal mechanisms (individual/collective) (Morrison, 2011).

The HRM literature is more closely linked with the OB ideas of voice, insofar as it is useful for the organization. HRM definition is near to Morrison's one (2001) where the concept of upward problem-solving voice is almost the same as the improvement-oriented voice given by OB lenses.

OB literature aims to understand what the antecedents of the voice are, what motivates the voice behaviour of workers in order to foster organizational functioning (Morrison, 2011, 2014). The focus in OB perspective is on informal interaction that allow employees to speak up when they want to share their opinion or suggestions (Nechanska *et al.*, 2020). It emerged

that “voice is a challenging, prosocial, organizational citizenship behaviour specifically intended to be instrumental in improving the organization by changing existing practices” (Detert et al., 2013, pg. 626). For OB, based on the definition provided by Van Dyne and LePine (1998), “pro social is behaviour that is defined as being other-regarding (not self-regarding), and of benefit to the organisation/work unit” (Barry and Wilkinson, 2016, pg. 262). However, according to Barry and Wilkinson (2016, pg. 263), who critiqued this pro-social concept, “OB conception of voice is narrow because OB researchers view employee behaviour from a unitarist lens in which ‘what is good for the firm must be good for the worker’”. The same authors considered that this OB ideas does not fully understand the potential of having the various mechanisms of voice, including formal and informal, as well as pro-social and critical/pluralist. In the OB view, EV is an “extra-role behaviour occurring in a face-to-face context” (Morrison, 2011, p. 386). It is the employee who decides whether or not to participate in voice behaviours or to remain silent and, if he/she decides to speak up, this happens through direct, verbal communication with the referent person (typically management), independently and outside any formal EV channel such as for example, suggestion schemes or ad hoc meeting. Despite some OB studies highlighting the potential role of formal structures in influencing informal behaviours (e.g. Glauser, 1984; Morrison and Milliken, 2000; for IR/HRM literature see for example Marchington, 2007; Marchington and Sutter, 2013) or including formal mechanisms in their analysis (e.g., Klaas *et al.*, 2012), it is indicative the most influential reviews and conceptual works in the field explicitly exclude formal mechanisms from their frameworks (e.g. Van Dyne and LePine, 1998; Morrison, 2011; Van Dyne *et al.*, 2003; Ng and Feldman, 2012; Morrison, 2014).

What follow from the above is that a key difference between the IR and the HRM/OB literature is that in the IR perspective EV concerns employees own interests and views, which can also be independent from those of the company (reflecting a pluralist perspective), whereas in the HRM and OB perspectives the interests of the employees are largely aligned to those of the company (unitary perspective) (Barry *et al.*, 2018; Wilkinson *et al.*, 2020a).

Moreover, the conceptualization of voices from the OB perspective deviates from the idea that collective forms of representation promote opportunities for workers to speak up.

Morrison (2011, pg.373), argue that "one important commonality is the idea of voice being an act of verbal expression, where a message is conveyed from a sender to a recipient. Second, voice is defined as discretionary behavior. Individuals choose whether or not to involve in this behavior at any particular moment in time, a choice that is affected by a variety of factors. A third commonality is the notion of voice being constructive in its intent. The objective is to bring about improvement and positive change, not simply to vent or complain". Based on the different subject matter of the voice, a distinction is made between three types of voice: suggestion-focused voice, problem-focused voice, and opinion-focused voice. Specifically, suggestion- focused voice when employees share their suggestions in order to achieve better organizational results (Morrison, 2011). On the contrary, problem-focused voice is mainly link on the employees' expression of grievances or concerns (Morrison, 2011). The third type of voice mentioned is opinion-focused voice that expresses the ideas and vision of employee that are different from others (Morrison, 2011).

Similar to Morrison (2011), Liang et al. (2012) define two models of voice: promotional voice and prohibitive voice. The promotional voice has the aim to provide opinions and new ideas, while prohibitive voice is linked to problems, concerns that have emerged.

As mentioned above, in IR literature the level of analysis is collective and the focus is mainly on formal voice mechanisms and structures (e.g. unions, works councils). OB perspective explores the individual level of voice, considering voice as a "behavioural act", where the main relationships between members are informal (Wilkinson et al., 2020a).

The IR literature is more prone to analyze less qualified employees as they want to protect and safeguard their rights, sharing of their grievance. OB focus their attention on all employee in general as they are interested to the ideas of all workers. IR literature is the expression of the non-alignment of interests between worker and managers (Wilkinson et al., 2020a). IR studies argue that voice is "expressive or corrective" because of the presence of conflicting relationship between members. Here, managers value the voice because if its potential benefits for the organization. From the lenses of OB, there are no adverse interaction within the organization, so the voice is "promotive or improvement oriented", where employees are able to manage voice, expressing their opinions (Wilkinson et al.,

2020a). While the main contents of voice in IR are task-based participation, upward problem solving and grievance procedures (Mowbray et al., 2015), in OB perspective is: suggestion for change and improvement, expression of concern about work issues, harmful to organization and communicating different point of view (Mowbray et al., 2015).

“For IR, voice is about protecting workers and promoting workplace democracy. It is political and relates to the inherent imbalance of power between workers and management. For OB, voice is about improving organizational or team effectiveness, broadly defined, and preventing or correcting problems. This can range from offering a suggestion for making the workplace more environmentally friendly, to highlighting a practice that creates gender bias and needs to be changed, to expressing a dissenting point of view on a particular decision” (Wilkinson et al., 2020a, pg. 3).

From Hirschman theory, in IR stream voice is considered as an alternative of exit while in OB literature is seen as alternative of silence (Wilkinson et al., 2020a) (see Table 2.3).

Table 2.3 Key differences between IR and OB

	Voice in IR	Voice in OB
Primary level of analysis	Collective	Individual
Primary focus of analysis	Voice structures and systems	Voice as a behavioral act
Primary means through which voice occurs	Formal mechanisms	Informal interactions
Primary enablers/inhibitors	Structural	Both individual and contextual
Types of employees	Workers, both unionized and non-unionized	All, including professionals and mid-to-high level managers
Types of input being voiced	Worker interests, grievances	Suggestions, ideas, opinions, information about problems
Assumptions about motives	Expressive or corrective; self- interest	Promotive or improvement-oriented; self plus other interest
Assumptions about employment relationship	Adversarial	Largely non-adversarial
Assumptions about interests	Conflicting	Largely aligned
Assumptions about who controls voice	Management	Employees
Why voice is important	Protecting workers; promoting workplace democracy	Improving organizational effectiveness; preventing or correcting problems
Alternative to voice	Exit	Silence

Source: Wilkinson et al. (2020a, pg.3)

Employee voice as a multidimensional construct

Voice is a widely studied concept in the literature of recent years (Wilkinson et al.2020a, Mowbray et al., 2015; Kaufman, 2015), while employee silence remains largely unexplored. Silence “can be a manifestation of ‘exit’ under Hirschman's framework (e.g., employees leave when faced with no voice) or extend ‘loyalty’ (e.g., workers remain but may suffer in silence hoping things will improve)” (Nechanska, 2020, pg. 1). There are various functions of silence: a) it has a “linkage” role, it “can bind together people or it can sever relationships”; b) it has “fulfills an affecting function”; c) silence “performs a revelational function in communication; that is, it can facilitate making something known but also can hide something”, it conceals and provides information; it hides and gives information d) silence has “a judgement function”, it gives favour or disfavour thoughts; and e) silence “performs an activating function in the communicative process”, giving disapproval and approval (Jensen, 1973). At a general level, ES reflects a situation where employees do not express themselves, whether because they do not have such opportunity or because, even if they can, they decide not to speak up. Morrison and Milliken (2000) considered organizational silence as a result of fear and a silence culture. Morrison and Milliken (2000) were among the first OB scholars to consider the role of silence in organizations. They conceptualized silence as collective-level phenomenon (*organizational silence*) consisting of employees’ choice to withhold their opinions and concerns about organizational problems, with negative consequences for the organization’s ability to change and develop. In their framework, organizational silence is determined by a set of “managerial beliefs and fear of feedback [which] tend to give rise to predictable types of organizational structures and policies, as well as to managerial practices, that impede the upward flow of information” (Morrison and Milliken, 2000, p. 708). Thus, while it is the employee to choose to remain silent, the causes of this choice are largely determined by managers, who through their beliefs and fear of feedback may create a “climate for silence”. In contrast, Pinder and Harlos (2001), focusing on individual, defined silence as “the withholding of any form of genuine expression about the individual’s behavioural, cognitive and/or affective evaluations of his or her

organizational circumstances to person who are perceived to be capable of effecting change or processes” (pg.334). Van Dyne (2003), expanding the categorisation outlined by Pinder and Harlos (2001), conceptualized silence as a multidimensional construction, distinguishing three types of them such as Acquiescent Silence, Defensive Silence, and ProSocial Silence (see Table 2.4). *Acquiescent Silence* consists in the passive behaviour of the employee who feels that he does not make any difference to his contribution and decides not to raise his voice (Van Dyne, 2003), *Defensive Silence* is linked to individuals' fear of sharing information because they perceived it may be harmful, so it is an attempt at self-protection (Van Dyne, 2003). *ProSocial Silence* as a “withholding work-related ideas, information, or opinions with the goal of benefiting other people or the organization – based on altruism or cooperative motives” (Van Dyne et al., 2003, p. 1368). It is a form of proactive behaviour, trying not to disclose information that may be negative for their community.

Since then, the OB literature on EV and ES has developed significantly as demonstrated by recent literature reviews (e.g. Morrison 2014, Knoll *et al.*, 2016; Brinsfield and Edwards, 2020). More recently, IR and HRM scholars have also enlarged their conceptualization of EV including ES (e.g. Wilkinson *et al.*, 2018; Nechanska *et al.*, 2020; Cullinane and Donaghey, 2020). One of the first contribution from these latter fields comes from Donaghey *et al.* (2011), who explicitly addressed the OB conceptualization of ES. They argued that the OB literature successfully analyzed ‘how and when’ employees articulate voice or opt for silence, but it failed to address ‘why’ employees choose voice or silence, as far as such literature “is inherently one-sided in its interpretation of silence as a product of employee motivations” (p. 51). They proposed a reconceptualization of ES as a product of management, who through agenda-setting and institutional structures may perpetuate a climate of silence (Donaghey *et al.*, 2011). Similarly, Cullinane and Donaghey (2020) argued for the need to extend the current approach to ES by examining “employer and worker motivation and behaviour in advancing, curtailing or suspending voice in organizations” (p. 483).

Table 2.4 ES classification

<p style="text-align: center;">Type of Behaviour →</p> <p style="text-align: center;">↓ Employee Motive</p>	<p>EMPLOYEE SILENCE: Intentionally withholding work-related ideas, information, and opinions</p>
<p>Disengaged Behaviour Based on Resignation Feeling unable to make a difference</p>	<p>ACQUIESCENT SILENCE</p> <p>Examples: Withholding ideas based on resignation Keeping opinions to self due to low self-efficacy to make a difference</p>
<p>Self-Protective Behaviour Based on Fear Feeling afraid and personally at risk</p>	<p>DEFENSIVE SILENCE</p> <p>Examples: Withholding information on problems based on fear Omitting facts to protect the self</p>
<p>Other-Oriented Behaviour Based on Cooperation Feeling cooperative and altruistic</p>	<p>PROSOCIAL SILENCE</p> <p>Examples: Withholding confidential information based on cooperation Protecting proprietary knowledge to benefit the organization</p>

Source: adapted from Van Dyne et al. (2003)

In sum, employee silence reflects a situation where workers cannot express themselves, or where they decide not to report a problem because they do not feel comfortable. The fear of ruining relationships within the company, as well as the fear of being seen negatively leads workers to silence (Milliken et al, 2003). The exchange of ideas and opinions with employers is sometimes considered risky (with the fear of losing one's job) or even unhelpful because

one is not always listened to (Milliken et al, 2003). There are also collective dynamics that influence silence, it can happen that a problem is spread between individuals at the same level and not disclosed to individuals of a higher level. The fear of damaging the social capital developed in the organization leads individuals to remain silent (Milliken et al., 2003). Employee silence behaviour is also linked to the perception generated in the workplace with an impact on individual behaviour. The perception of not being considered seriously by management leads workers to remain silent with a consequent reduction in organizational commitment and job satisfaction (Vakola et al., 2005).

Employee silence is not “as the mere absence of voice and instead propose that different forms of silence are driven by different employee motives” (Van Dyne, 2003, pg.). There is a wide debate about the placement of silence as a separate construct from the voice. For example, some argue that they should be treated separately (Van Dyne, 2003), others that can coexist simultaneously (Detert and Edmondson,2011). On the one hand, workers may decide to raise their voices with respect to certain problems, while on the other hand they may voluntarily decide to remain silent. It is known that analysing the silence of employees is more complicated because it can give rise to misunderstandings compared to voice, which is a clearer system (Van Dyne, 2003). Wilkinson *et al.* (2018) elaborated on this stream of research by proposing five situations that lead to “unheard voices”. The first situation where voice structures are not present; the second is where voice structures exist and employees use them, but institutional noise makes that they are not heard by management (even though it is not a deliberate repression). The third situation is where voice structures exist, employees use them and management hears but ignores the issues raised by employees. The fourth situation is the one proposed Donaghey *et al.* (2011), where voice structures exist but managers perpetuate a climate of silence and therefore employees choose not to express their views because of fear of consequences. Finally, employees may also have differential access to voice structures or different propensities to use them. This typology emphasizes that EV and ES are a matter of both structure (i.e. institutional elements) and agency (i.e. human elements) and that to fully understand the phenomenon micro, meso and macro factors should be jointly considered in the analytical framework.

Employee voice and whistleblowing

EV may also assume an ethical aim, for example when employees decide to speak up to report illegal behaviours or mistreatments in organizations. However, EV scholars have not engaged closely with issues related to justice and whistleblowing. This is somehow surprising, considering the growing relevance that whistleblowing is having in practice as an essential means in the hands of the employees for exercising their voice to address serious wrongdoing (Kenny *et al.*, 2020).

At the end of 1900 and the beginning of 2000, scholars focused on the analysis of voice, also considering the phenomena of whistleblowing. According to Near and Miceli (1985, pg.4) it is “an organisational member’s (former or current) disclosure of illegal, immoral, or illegitimate practices under the control of their employers to persons or organizations that may be able to effect action”. The whistle blower complains about unethical attitudes that occur in organizations with the aim of undoing the continuation of these behaviours (Near and Miceli, 1985). In light of this, the object and the aim of whistleblowing is different compared to voice, respectively: whistleblowing seeks to reduce wrongdoing and promote more responsible management within the organization, whereas employee voice has the aim to foster organizational changes (Le Pine and Van Dyne, 1998). Moreover, whistleblowing is linked to illegal, illegitimate act (ethical aspect) while employee voice reports ideas, point of view, problems but related to the work process. Miceli and Near (2005) argue that workers are more likely to raise his or her voice against wrongdoing when he or she considers them to be really serious and that his or her intervention can prevent such actions. In some way, whistleblowing can be considered a system that is more effective when voice mechanisms are not able to face illegal behaviour and change the current situation (Kenny *et al.*, 2020).

The OB literature focused the attention on whistleblowing process, considering as ‘justiceoriented’ voice: It is a form of voice basically used against wrongdoing and illegal action (Klaas *et al.* ,2012). In light of this conceptualization of whistleblowing, OB scholars argued that the object and aims are different compared to voice: whistleblowing seeks to reduce wrongdoing and promote more responsible management within the organization,

whereas employee voice has constructive, pro-social aims and fosters organizational changes. Most of the OB literature explicitly excludes whistleblowing from their conceptualization of EV and classify it as a related, but different construct (e.g. Van Dyne and Le Pine, 1998; Morrison and Milliken, 2000; Morrison, 2011; 2014). A notable exception is Klaas *et al.* (2012), who in their review of the determinant of EV include whistleblowing among the alternative forms that EV may assume. Equally the whistleblowing literature, while also having developed in recent years (see Miceli *et al.*, 2008 for a review), largely disregards potentially useful insights coming from the EV field. A recent attempt to bridge the two literatures was made by Kenny *et al.* (2020), who argued that whistleblowing should be better considered as a process of “escalating voice”, can be considered as a form of voice when voice systems are not suitable. Their theoretical model builds on the integrative EV framework developed by Mowbray *et al.* (2015) and depicts a process based on three phases. Phase one includes factors at the outset that need to be considered, including the impetus (i.e. motives) and contents to ‘blow the whistle’. Phase two includes mechanisms and targets of whistleblowing, which are affected by institutional, organizational and individual mediating factors. Finally, phase three includes the outcome whistleblowing as voice attempt in terms of response and reception. Being a processual model, the three phases are recursively influenced each other and feedback loops continually occur (Kenny *et al.*, 2020).

Research direction

The need for a closer exchange between different disciplinary perspectives emerges clearly from the representation of EV research depicted above and it is well addressed by recent contributions (see Mowbray *et al.*, 2015; Kaufman, 2015; Barry and Wilkinson, 2016; Wilkinson *et al.*, 2018; 2020a; Nechanska *et al.*, 2020). There are three main areas of investigation that would greatly benefit from multiple approaches.

First, path-breaking advancements on the understanding of how EV takes shape in organizations and affects individual and organizational outcomes can only be achieved by

adopting multi-level theoretical frameworks that combine the micro (individual), meso (organizational) and macro (institutional) level of analysis (Wilkinson *et al.*, 2020a) as disciplinary silos drive scholars to consider EV and ES *within* one specific level of analysis, disregarding the interlinks that occur *between* levels.

Second, the combination between the formal and informal dimensions of EV in the workplaces, and which are determinants and consequences of different combinations needs further studies. While our knowledge about formality and informality in EV is significant, we still need to understand how they affect and combine each other (Mowbray *et al.*, 2015). For example, Wilkinson *et al.* (2013), noted that formal and informal voice practices may operate in parallel, coexist and interact sequentially or formal systems may act as ‘safety net’ for informal dialogue (see also Marchington and Sutton, 2013; Townsend *et al.*, 2013; Loudoun *et al.*, 2020). This links also to the need for a greater investigation of EV in organizational contexts largely based on informal relationships such as smaller organizations, which are dominant in modern economies and surprisingly largely disregarded by EV research (for exceptions see Moore and Read 2006; Wilkinson *et al.*, 2007; Sameer and Özbilgin, 2014; Gilman *et al.*, 2015). While it is true that informality in the management employment relationships is a specific feature of smaller organizations (Mallett and Wapshott, 2014; Gilman *et al.* 2015), research also suggests that degrees of formality and informality in employment relationships coexist within all organizations and that we still have to fully understand the interplay between these two dimensions (Marlow *et al.*, 2010).

Third, an integration of different approaches (HRM, OB and IR) could provide comprehensive understanding relates to the outcomes of voice systems. As discussed above, there are indeed several practices that can fill the desire of employees to express their voice (Bryson *et al.*, 2006). At a theoretical level, Holland *et al.* (2011, p. 101) argued that direct and indirect EV mechanisms “are strengthened by one another and better reflect the heterogeneous qualities of a modern workforce across a diverse spectrum of workplace issues”. Similarly, Marchington (2007) suggested that the interaction of multiple channels of voice could contribute to cross-fertilisation of ideas by enhancing operations and establishing networks, thus favouring the emergence of innovative ideas. It has also been highlighted that

the presence of multiple voice channels allows employees to be more involved in the decision-making process (Mc Donnell *et al.*, 2014) and that in ‘hybrid’ voice systems direct and indirect EV practices have a complementary, rather than substitution effect (Holland, 2014; Machin and Wood, 2005). To date, few efforts have been made to investigate the interaction effects of direct and indirect EV to predict individual and organizational outcomes and the results offer mixed evidence (e.g. Bryson 2004; Purcell and Georgiadis, 2007; Pyman *et al.*, 2006; Kim *et al.*, 2010; Della Torre, 2019).

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III Chapter

DIRECT AND INDIRECT VOICE MECHANISMS AND FIRM INNOVATION IN SMALL AND MEDIUM SIZED ENTERPRISES

Abstract

In the last decades, there has been an extensive discussion on the impact of employee voice (EV) on firm outcomes. This attention, however, has largely been confined to large companies or to small and medium sized enterprises (SMEs) as a unique category, and the focus has largely been on productivity and efficiency as the intended outcomes. Drawing on the intrinsic motivation literature, this study examines how EV (via both direct and indirect mechanisms) contributes to SMEs' innovation, and how such relationship varies in small versus medium sized enterprises. By analyzing microdata of 18,680 establishments from the 3rd European Company Survey, the study shows that while direct EV has a positive impact on SMEs' innovation, indirect voice has not. Furthermore, the results reveal that direct and indirect EV interact positively in relation to firm innovation, but this happens in medium sized firms only. Overall, these findings reveal that practices able to influence employees' intrinsic motivation, such as direct voice mechanisms, are effective in terms of firm's innovation even in contexts characterized by high levels of informality in employment relationships, and that medium sized firm are more able to exploit the complementarities between voice mechanisms compared to smaller firms.

Keywords: Direct voice, Indirect voice, Firm innovation, SMEs.

Introduction

Firm innovation is one of the most important issues in small and medium sized enterprises (SMEs) and a key driver for their survival in dynamic competitive environments (Poorkavoos *et al.*, 2016). Although firm innovation has traditionally been viewed in technical terms, there is now more acknowledgments about the potential contribution of employees across different levels and functional areas (Shipton *et al.*, 2017). To achieve firm innovation, organizations require harnessing “the knowledge, skills, abilities, opportunities and the willingness of their employees to innovate” (Fu *et al.*, 2015, p.210). Attention to these specific requirements sheds light on the central role of employees within organizations and contributes to two emerging debates within strategic human resources management (HRM). First, a growing need to pay attention to firm innovation as a strategic outcome of HRM (e.g. Seeck and Diehl, 2017); second a return to a central role for employee voice (EV) within the wider HRM system (Liu *et al.*, 2017; Shipton *et al.*, 2017). This is particularly critical in SMEs, which have higher resource constraints than larger companies in relation to innovation, including the development of sophisticated HRM practices to promote innovation. In this sense, SMEs represent a fertile ground for the advancement of EV research. Indeed, it has been noted that, because of their limited hierarchy, smaller businesses offer more opportunities for interaction and communication (Wilkinson *et al.*, 2007). We argue that for better understanding the nuances of EV in SMEs, a necessary step is to distinguish between small and medium-sized firms. Indeed, although it is commonly recognized that HRM in small and medium-sized firms may be very different (Cardon and Stevens, 2004; Harney and Alkhalaf, 2020), most of the literature consider SMEs as a single category, or focuses on small firms only (e.g. De

Winne and Sels, 2010; Way, 2002; Kerr *et al.*, 2007; Chadwick *et al.*, 2013; Patel and Conklin, 2012; Faems *et al.*, 2005), whereas research on medium-sized firms or comparing small and medium-sized firms is almost non-existent (for few exceptions see Della Torre and Solari, 2013; Wu *et al.*, 2015; Rauch and Hatak, 2016).

Building on the intrinsic motivation literature, this paper elaborates on EV mechanisms as means of intrinsic motivations to disentangle the compound relationship between direct and indirect EV mechanisms with respect to firm innovation. Indeed, the HRM and industrial relations literature have distinguished between direct and indirect EV and suggests a growing heterogeneity of EV mechanisms within workplaces. This heterogeneity, which is mainly due to a pervasive decline in indirect and representative forms of EV and an upsurge in employees' use of more direct forms (Budd *et al.*, 2010; Sameer and Özbilgin, 2014) calls for further investigation of hybrid EV mechanisms.

By analyzing microdata of 18,680 SMEs from the 3rd European company survey (ECS, 2013), this study contributes to the literature on EV in several ways. First, it sheds light on the general effects of EV on innovation and argues that employees who speak up at work by the means of upward communication (directly or indirectly) and share their ideas, suggestions and information about issues of concern at the organization, contribute to higher levels of firm innovation. Second, in contrast to most of existing literature, it uses direct and indirect EV mechanisms as separate indexes and analyzes their effects on firm innovation in small- compared to medium-sized firms. This is particularly relevant since the prevalence of informal employee relations and low union presence in smaller firms suggests distinct dynamics in EV mechanisms compared to large organizations (Cardon and Stevens, 2004; Sameer and Özbilgin 2014). Importantly, to date, in the SMEs literature only a handful of studies have investigated the impact of direct EV on firm performance (e.g. Rasheed *et al.*, 2017; Andries and Czarnitzki, 2014), and to our knowledge no study has analyzed the impact of indirect EV on firm innovation, allowing this paper to make a novel contribution to the HRM literature in the context of SMEs. Third, the paper explicitly assesses the relative importance of the potential synergistic, complementary effect between direct and indirect EV mechanisms in explaining a firm's propensity to innovation. These relationships have been

investigated in larger firms (e.g. Kim *et al.*, 2010), whereas our knowledge about the effects of combining different forms of EV in SMEs is still very limited. Lastly, in line with recent studies on EV (e.g. Della Torre *et al.*, 2019), the paper sheds light on the untapped potential of the intrinsic motivation for the HRM-innovation debate in the context of SMEs, thus extending the understanding of the crowding-in effects of intrinsic rewards in relation to firm innovation.

Theoretical framework and hypotheses development

There are two innovation-related streams of research supporting the notion of a EV and firm innovation link. The first stream focuses on “*employee motivation*” resulting from having a voice in the workplace (Damanpour, 1991). Adopting Herzberg’s dual-factor theory (1966), when employees have the opportunity to express their dissatisfaction with regard to their working conditions with management (for example via a grievance procedure), they are not dissatisfied and when they have the opportunity to participate in managerial decision-making (particularly on those decisions related to their tasks and working methods) they are more motivated to contribute to innovation by generating new ideas. The second stream underlines the role of EV as means to discover, diffuse or utilize the employee’s knowledge, skills and abilities for innovation (Cabello-Medina *et al.*, 2011). Consistent with these two approaches, Amabile and Pratt (2016) recently framed the debate of innovation in organizations through a componential model, which stresses the crucial roles of (1) employee’s motivation to innovation and (2) their knowledge skills and abilities (KSAs). Thus, broadly speaking, one may expect an interrelation and synergistic effects between employee voice (via increased motivation and knowledge utilization) and firm innovation. However, there are several contingencies in this theoretical approach that need to be addressed for a better understanding of the relationship between EV and firm innovation.

One of such contingencies is firm size, which affects the characteristics of the employment relations systems and its potential influence on firm innovation. Concerning SMEs, the literature presents two opposing positions in describing their characteristics: one

being “small is beautiful” and the other “bleak house” (Wilkinson, 1999). Concerning the first view, small enterprises are characterized by consolidated and harmonious relationships between employees and managers, with high levels of communication and mutual trust as a result of their family-style arrangements and informal interactions. The second view, on the other hand, presents SMEs as family-run but self-sufficient companies, characterized by centralization of decision-making power, conflicting relationships and high levels of turnover (Wilkinson, 1999; Dundon and Wilkinson, 2009). However, as shown by Harney and Dundon, (2006) neither of the two viewpoints provides a complete picture of SMEs as they are complex and heterogeneous realities. For example, on the one hand, smaller enterprises have regularly been reported to have a higher preference for informal management of the employment relationship (Mallett and Wapshott, 2014; Gilman *et al.*, 2015). This informality, including a lack of human resource (HR) expertise, has often been linked to resource constraints (Gilman *et al.*, 2015), reduced trade union representation and a limited number of individuals with specific skills (Gautam and Markey, 2017). On the other hand, it has also been argued that SMEs represent best platforms to adopt EV mechanisms “due to little hierarchy, close interaction among employees, frequent communication, and stronger need for, and focus on, innovation” (Rasheed *et al.*, 2017: 671). Sheehan (2014), in a longitudinal study of 336 UK SMEs, found that the investment in HR practices such as employee voice, consultation, participation and information sharing is significantly and positively related to firms’ profitability and innovation. According to Bacon and Hoque (2005), SMEs may lack the capability to develop HRM practices, but the likelihood to adopt such practices is increased when they employ highly skilled workforce or are obliged to interact with wider business communities such as social partners (employer's association or unions) and large customers. In next sections the specificities of SMEs area discussed in relation to the potential effects of different forms of EV on firm innovation.

Direct voice and firm innovation

In the current debate on the effects of EV on firms' outcomes particular emphasis is given to direct employee voice, defined as "mechanisms that allow employees to affect workplace issues without the mediation of representatives" (Zhou *et al.*, 2019: 255). Through this voice channel employees have the opportunity to express their ideas and opinions directly to managers (Holland *et al.*, 2017). Marchington and Wilkinson (2000) postulated a four-fold schema for direct EV: "downward communications, upward problem solving, task participation, team working and self-management" (p. 345). There are several arguments in support of a positive relationship between direct EV and firm innovation. First, employees may use direct voice to express constructive opinions, concerns, or ideas about work-related issues (Van Dyne *et al.*, 2003) allowing organizations to collect creative ideas and new perspectives, increasing the likelihood of innovation (Fairbank and Williams, 2001; Grant, 2013). Second, the collection of work-related opinions helps managers to early detect work-related problems, opportunities, and solutions and thereby facilitate organizational innovation (Weick and Sutcliffe, 2001). From this perspective, Fairbank and Williams (2001) recognize employee suggestion systems as a means of stimulating employees' motivation to think creatively, and of "converting creative ideas into valuable innovations" (p.72). Furthermore, when employees voluntarily communicate their suggestions, work-related opinions and concerns up the hierarchy, organizations are enabled successfully to apply continuous process improvement, respond to unexpected situations (Weick and Sutcliffe, 2001), involve in quality enhancing innovations (Cox *et al.*, 2006), and adapt to dynamic business environments (Van Dyne *et al.*, 2003). Overall, empirical literature consistently supports the view that direct EV has a positive relationship in promoting individual innovative work behavior (Fu *et al.*, 2015), group innovation (De Dreu, 2002), and firm innovation (e.g. Wang *et al.*, 2015; Zhou *et al.*, 2019; Della Torre *et al.*, 2019).

In regard to SMEs, scholars have identified that small businesses offer more opportunities for interaction and communication because of their limited hierarchy (Wilkinson *et al.*, 2007). Indeed, flatter organizational structures allow employees to develop "intimate knowledge and experience about their firms' businesses and operations [and] enable them to

generate innovative ideas to improve and/or develop new products and processes” (Wang *et al.*, 2015, p. 1162). Thus, according to this approach, direct EV is a key element in developing new ideas in larger as well as in smaller firms. Bryson (1999) and Bull *et al.* (2010) empirically supported the idea that direct EV mechanisms allow SMEs to achieve better results in terms of performance. Additionally, Rasheed *et al.* (2017) also showed that employee voice is a mediating factor between high-performance work systems (HPWS) and organizational innovation.

Overall, considering the theoretical and empirical arguments discussed above, we expect that the adoption of direct EV mechanisms will encourage firm's innovation in SMEs. Formally, we propose the following hypothesis:

H1. The presence of direct employee voice mechanisms is positively related to a firm's innovation.

Indirect voice and firm innovation

The notion of indirect voice is not just about trade unions but incorporates various forms of employee representation, such as for example works councils and joint consultative committees (Brewster *et al.*, 2007). From a theoretical perspective, there are two opposing views which explain the relationship between indirect voice and firm innovation: “*monopoly face*” and “*collective voice aspect*” (Freeman and Medoff 1984). According to the monopoly face, indirect voice impedes firm innovation by imposing restrictions on management flexibility (Verma, 2007). Conversely, the collective voice aspect or the “*shock effect*” see indirect voice as the new source of innovation (Kochan *et al.*, 1986) that surprises management into efficiency and encourages firm innovations by more R&D investment (Fang and GE, 2012). A review of the literature suggests little empirical evidence on the impact of indirect voice on firm’s ability to introduce innovations. While evidence from Germany and Italy advocates the promising role of works councils and unions with respect to innovation (see Addison *et al.* 2007 for Germany and Gritti and Leoni, 2012 for Italy),

studies in China and Canada and the US indicate a negative or insignificant effect of unionization on firm innovation, suggesting that indirect voice is associated with depressed levels of innovation (see Doucouliagos and Laroche, 2013 for US; Fang and GE, 2012 for China; and Verma and Fang, 2003 for Canada; see also Black and Lynch, 2004 for an exception on US).

Apart from these differential effects related to the nature of the industrial systems (Addison *et al.* 2017), the relationship between indirect voice and firm innovation may assume specific profiles in SMEs. Bacon and Hoque, (2005) highlighted the importance of collective representation for SMEs, and argued that unions are one of the most important determinants of the presence of HRM in small firms encouraging managers to adopt innovative HR practices that could potentially contribute to firm's propensity to innovation. However, although employees in SMEs often express positive attitudes towards unions they are aware that they would not be encouraged to join a union (Dundon and Wilkinson, 2003), or if they join, they have to deal with anti-union sentiments on the part of employers and this might provoke managerial reprisals. Despite the potential hostility, the presence of indirect voice in such context affects the regulatory framework in which firms operate and contributes to increase the level of formalization of human resource practices, which in turn is beneficial for performance and innovation in smaller firms (Sheehan, 2014; Messersmith and Guthrie, 2010). Matlay (2002) in an exploratory study of 6,000 UK SMEs, concluded that the presence of unions in smaller companies gives employees a deeper sense of belonging to their organizational team and a higher perception of job security, which result in a spillover effect in terms of attendance at meetings and participation in related events. All these benefits, in turn, could contribute to a firm's propensity to innovation. In another example, Moore and Read (2006) found that SMEs adopt indirect EV to better define and identify collective interests, frame grievances, and to address the risk of injustice amongst workers based upon the conviction that employer decisions are illegitimate. In this regard, indirect EV contributes to the building of trust between the two sides and promote the idea that firm innovation, as a collective interest, represents the path that can better protect workers' prospects (Gritti and Leoni, 2012). Lastly, indirect EV mechanisms could increase the awareness of small companies about professional standards and offer key advice on a best practice (Bacon and

Hoque, 2005). For instance, Green (1993) found that trade unions could perform a positive role in encouraging firms with fewer than 25 employees to provide training opportunities that in turn could positively affect a firm's propensity to innovation.

This study, drawing on the "small is beautiful" perspective, speculates that the presence unions or councils in SMEs increases the levels of communication and mutual trust between employees and managers, and realizes the potential benefits of EV for innovation. Building on these arguments, we formally hypothesize that:

H2. The presence of indirect voice is positively related to a firm's innovation.

Direct and indirect voice interaction

The literature suggests that employers should offer a range of voice structures to address the emerging need among employees for the availability of multiple channels of voice within organizations (Wilkinson and Fay, 2011; Bryson *et al.*, 2006). Dundon *et al.*, (2004) suggested that these multiple channels could be in the forms of direct and indirect EV mechanisms that are implemented either separately or concurrently in an organization. Pyman *et al.* (2006) argued that the coexistence of multiple EV mechanisms causes workers to perceive that their voice has legitimacy and recognition. Adopting the lens of intrinsic motivation, EV is stronger and more effective if it is resulted from dual channels, as multiple channels of voice offer complementary benefits (and thus higher motivation) to employees. In this scenario, employees intrinsically get more motivated as on the one hand, direct EV provides them the opportunity to speak up and fulfill their self-determination needs, and on the other hand, indirect EV sends them a supportive message and a sense of influence over management decisions that strengthens employees motivation required for innovation.

The results of existing studies are generally supportive for the positive interaction effect of multiple channels of voice (e.g. direct and indirect forms) (e.g. Purcell and Georgiadis 2006; Delbridge and Whitfield 2001). For example, Bryson (2004) suggested a synergistic, complementary effect of the combinations between direct voice and non-union

representation, and Marchington (2007) suggested that the interaction of multiple channels of voice could contribute to cross-fertilization of ideas enhancing operations and establishing networks, and offer personal support to employees. Against this backdrop, there is also evidence of a negative interaction between multiple channels of voice, indicating that multiple EV mechanisms result in the difficulty of the configuration of these channels (e.g. Kim *et al.*, 2010; Pyman *et al.*, 2006) or in crowding-out effects between different voice channels (McCloskey and McDonnell, 2018).

It can be argued that smaller firms do not need multiple formal voice channels as they can communicate all informally. The informal communication may also result employees feel closer identity between their objectives and organizational objectives and hence want to contribute to firm innovation. However, when voice channels are formal, employees are often in favor of multiple channels as they feel more involved in managerial decision-making (McDonnell *et al.*, 2014) and could better fulfill their desire to be ‘informed’ and ‘consulted’ by management (Wilkinson *et al.*, 2007). Drawing on the potential benefits of the supportive message resulted from the coexistence of multiple EV mechanisms, we expect that when direct and indirect EV mechanisms are jointly adopted a SME has a higher probability to introduce innovation. . Hence, we formally hypothesize that:

H3. The relationship between direct and indirect employee voice mechanisms and a firm’s innovation is stronger when direct and indirect mechanisms are both present.

Small versus medium-sized firms

Another critical issue in the analysis of the relationship between EV and innovation in SMEs is how such relationship differs in small- compared to medium-sized firms. Indeed, while existing literature seems to disregard these differences, it is well-recognized that the application and results of HR practices are different if we consider the dimensional aspect (Cardon and Stevens, 2004). According to Bryson (1999), for example, in smaller firms, direct voice systems could create more benefits than indirect channels such as unions that

could mobilise worker support for action contrary to the short-term or long-term interests of the firm. The study also argues that the best EV configuration for small-firm establishments is the least bureaucratic and costly mechanism combining direct communication (via regular meetings between managers, supervisors and workers, regular newsletter and the systematic use of the management chain for communication with all employees) with upward problem solving (e.g. quality circle, suggestion schemes, surveys). However, small firms suffer more the lack of human capital compared to medium-sized ones (De Kok *et al.*, 2006), and this situation can impact on the employees' ability and motivation to contribute to innovation. It has also been argued that in smaller contexts the employer may not realize the emergence of situations of unhappiness or dissatisfaction that can lead employees to leave the company (Gautam and Markey, 2017). This situation can be explained, for example, by the limited voice channels available to employees and the expectation of loyalty that characterizes the relationships particularly in smaller companies (Tsai *et al.*, 2007).

Concerning indirect voice, in smaller firms relations are based on trust and informality and this can induce workers to renounce trade union representation to preserve the informality of the relationships (Gautam and Markey, 2017), even if informality may be detrimental for innovation (Terzioviski, 2010) and "[...] cannot be automatically associated with harmonious work relations" (Wilkinson *et al.*, 2007, p. 1284). In smaller contexts, trade unions may also have more difficulty in gaining access to the workplace and workers are not always aware about their right to representation (Illesy *et al.*, 2007).

Overall, small companies differ from their larger counterparts (including medium-sized firms) because of the very limited presence of indirect voice channels, the lack of qualified human capital resources and the higher level of informality of employees involvement. In the light of the above, we expect that the effect of indirect and direct formal voice channels is more relevant for medium-sized firms than for smaller ones. Hence, our hypothesis is:

H4: The relationships between direct and indirect employee voice mechanisms and firm's innovation are stronger for medium-sized firms compared to small-sized firms.

Research Methods

The data used for the analysis comes from the 3rd European Company Survey (ECS, 2013). The targeted respondents were the respective HR managers of public and private SMEs in industry and service sectors. The survey collected data for 19,739 small and mid-sized companies on several subjects, such as direct/indirect employee voice channels, firms' level of innovation, compensation policies, and several other management and work organization practices. Concerning the validity and the description of the dataset see also Oertel *et al.*, (2016); Allen *et al.*, (2016); Della Torre *et al.*, (2019). Our final sample after dropping missing values and codification procedures is composed of 18,686 observations.

Variables measurement

The description and measurement of the variables included in the study are presented in Table 3.1. The present study uses an index system to measure key concepts of our research (e.g. direct and indirect EV and firm innovation) by summing scores on bundle of practices collected. This structural determination follows notable work of Delery (1998) and Macky and Boxall (2007). Consistently, several recent studies use the index system in the assessment of HRM practices supporting the validity of our measurement model (e.g. De Winne and Sels, 2010; Chowhan, 2016).

Firm Innovation. Consistent with more recent innovation studies (e.g. Arvanitis *et al.*, 2016; Anzola-Román *et al.*, 2018), we used the Oslo Manual definitions (OECD, 2005) of product, process and organizational innovations (see Table 1) to develop an index for the measurement of overall firm's propensity to innovation over the period from 2011 to 2013. The innovation index ranges from 0 (non-innovators) to 3 (full-innovators). This approach has the advantage to focus on the understanding of overall SMEs propensity to innovation rather specific forms of innovation.

Direct and indirect voice. Direct EV is measured by the presence of six practices in the company, namely: regular meetings between employees and immediate manager; regular staff meetings open to all employees at the establishment; meetings of a temporary group or committee or ad-hoc group; discussions with employees through social media or in online discussion boards; suggestion schemes; employee surveys among employees. Indirect EV is measured by the presence of trade union representation or shop steward, works council and joint platform. These measures are consistent with those adopted in similar studies (e.g. Bryson, 2004) ; Pyman *et al.*, 2006). The index of DV varies from 0 to 6, that of indirect voice from 0 to 3 (Table1).

Controls. To reduce the risk of misspecification of the model and the variable bias in our estimation, several control variables were included in the analysis. Notably, we controlled for the country of origin (Budd *et al.*, 2010) using Allen and colleagues' (2016) classification of countries as 'compartmentalized', 'collaborative', 'fragmented with rigid labor markets', and 'fragmented with flexible labor markets'. Other control variables include the industry, size, ownership, productivity, and the adoption relevant HR practices (see Table 1 for the full list and measurement specifications).

Table 3.1: Variables description

Variables	Description	Measures
<u>Controls</u>		
<i>Country</i>	Four categories of countries: compartmentalized; collaborative; fragmented with rigid labor markets; fragmented with flexible labor markets;	Dummy 0-1
<i>Sector</i>	Seven industries: manufacturing; construction; commerce and hospitality; transport and communication; financial services and real estate,	Dummy 0-1
<i>Firm size</i>	two-categories: small (1-49) and medium (50-249)	Dummy 0-1
<i>Ownership</i>	Public or private	Dummy 0-1
<i>Establishment characteristics</i>	Multi-located (yes or no)	Dummy 0-1
<i>Training %</i>	In the past 12 months % of employees that received paid time-off to undertake training off or on the premises	From 1 = "None at all" to 7 = "All"
<i>Seniority %</i>	Percentage of employees older than 50 years of age	From 1 = "None at all" to 7 = "All"
<i>Teamwork</i>	Presence of any teams fitting teamwork definition in the establishment	Dummy 0-1
<i>Performance appraisal %</i>	Percentage of employees having a performance appraisal or evaluation interview at least once a year	From 1 = "None at all" to 7 = "All"
<i>Labor productivity</i>	Increase or decrease in labor productivity since the beginning of 2010	From 1 = "Decreased" to 3 = "Increased"
<i>Work climate</i>	Work climate in the establishment since the beginning of 2010	From 1 = "Worsened" to 3 = "Improved"
<i>Retention policy</i>	Employees are hired with the intention to employ them for a long time?	From 1 = "Strongly disagree" to 4 = "Strongly agree "
<u>Dependent variable</u>		

Firm innovation

Since the beginning of 2010 has this establishment introduced, any new or significantly changed:
- products or services (either internally or externally)
- processes, either for producing goods or supplying services
- business practices for organizing procedures (new methods of organizing work responsibilities and decision making; new methods of organizing external relations with other firms or public institutions)

From 0 (non-innovators) to 3 (full-innovators)

Independent variables

Direct voice (DV)

Presence of regular meetings between employees and immediate manager
Presence of regular staff meetings open to all employees at the establishment
Presence of meetings of a temporary group or committee or ad-hoc group
Presence of discussions with employees through social media or in online discussion boards
Presence of suggestion schemes
Presence of employee surveys

From 0 (no DV) to 6 (full-DV) by summing of the presence of each of the six EV mechanisms (0=no,1=yes)

Indirect voice

Trade union representation/shop steward. - Official employee representation currently exists in your establishment?
Works Council. - Official employee representation currently exists in your establishment?
Joint platform. - Official employee representation currently exists in your establishment?

From 0 (no indirect voice) to 3 (full-indirect) by summing of the presence of each of the three indirect EV mechanisms (0=no,1=yes)

Analytical procedure

To test our theoretical predictions, we conducted a three-step hierarchical regression analysis with clustered robust standard errors on the country and industry levels. Control variables were entered in Model 1, followed by the integration of independent variables of direct and indirect EV (Model 2) to estimate their main effects on firm's propensity to innovation. In Model 3, a two-way interaction term between direct and indirect EV was entered. Model 4 and Model 5 present the results of the full model for small and medium sized companies separately. To reduce the risk of multicollinearity, direct and indirect EV indexes were mean-centered and the variance inflation factors (VIFs) were estimated. The VIF amounted to 1.29 (direct EV), 1.26 (indirect EV) and 1.03 for the interaction effect suggesting there is no issue of multicollinearity. Given the cross-sectional nature of the data and the single source of respondents, we also checked for potential common method bias (CMB) using the Harman's single factor test (Podsakoff *et al.*, 2003). We found a total variance explained equal to 21.07% for a single factor, suggesting that CMB does affect neither the data nor results.

Results

Table 3.2 presents the descriptive statistics and the correlation matrix of the variables. The results show that direct and indirect EV correlated positively and significantly between each other and with firm's propensity to innovation, and that firm size is also positively correlated with firm innovation and direct and indirect EV.

Table 3.2 - Correlations and Descriptive Statistics for firm innovation

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1 Firm innovation	1.223	11.422	1																				
2 Direct voice	3.001	1.479	.264	1																			
3 Indirect voice	.511	.738	.123	.178	1																		
4 Compartmentalized	.239	.427	.006	.128	.071	1																	
5 Collaborative	.276	.447	-.021	.045	.009	-.347	1																
6 Fragmented_RigidMarket	.232	.422	.087	-.132	.052	-.309	-.340	1															
7 Industry	.317	.465	.029	-.039	.081	-.028	-.054	.038	1														
8 Construction	.096	.294	-.102	-.078	-.046	.003	-.013	-.024	-.223	1													
9 Commerce_hospitality	.267	.442	.021	-.018	-.094	.002	.003	.019	-.412	-.197	1												
10 Transport_communication	.067	.250	-.067	-.043	.022	.004	.016	-.009	-.183	-.088	-.162	1											
11 Financialservices_realestate	.038	.193	.036	.059	.032	.014	.013	-.045	-.137	-.066	-.121	-.054	1										
12 Size_Medium	.377	.484	.144	.184	.302	.019	-.004	-.032	.121	-.049	-.113	.024	.021	1									
13 Private	.925	.262	-.014	-.068	-.145	.027	.022	.059	.047	.036	.112	-.007	-.074	-.070	1								
14 Multilocated	.282	.450	.171	.163	.208	.061	.028	.027	-.081	-.088	.066	.020	.054	.123	-.034	1							
15 Training %	2.094	2.079	.133	.198	.127	-.017	.047	.059	-.050	-.005	-.036	-.002	.072	.073	-.047	.120	1						
16 Seniority%	1.556	1.006	-.045	-.029	.150	-.044	.042	-.086	.082	-.009	-.123	.031	.047	.116	-.167	.029	.039	1					
17 Teamwork	.769	.421	.183	.207	.091	-.032	.034	.018	-.033	.023	-.009	-.049	.013	.133	-.037	.096	.110	-.007	1				
18 Performance Appraisal%	3.466	2.636	.188	.347	.092	.063	.154	-.104	-.087	-.070	.016	-.029	.079	.093	-.028	.146	.221	-.035	.166	1			
19 Labour Productivity	2.353	.698	.165	.162	-.001	.113	.036	-.181	.020	-.071	-.028	-.006	.032	.098	-.036	.047	.044	-.047	.072	.129	1		
20 Work Climate	1.219	.672	.094	.146	-.033	.175	-.002	-.129	-.005	-.043	.021	-.018	.012	-.018	.012	.001	.024	-.099	.038	.103	.334	1	
21 Retention Policy	2.480	.577	.034	.073	-.042	-.049	.127	-.091	.005	-.020	.014	.002	.003	-.022	.028	.017	.029	-.007	.051	.097	.054	.026	1

Notes: Coefficients greater than .020 are significant at $p < .01$ (two-tailed); Number of observations = 18,774.

Table 3.3 presents the results of the regression models. In terms of main effects, our preliminary findings in Model 2 suggest a positive and significant relationships between direct and indirect EV and firm innovation. However, when the interaction term between direct and indirect EV is inserted (Model 3), we only found a positive relationship between direct voice and firm innovation ($\beta = .117$; $p < .00$); hence hypothesis 1 is supported, whereas hypothesis 2 is not. Interestingly, Model 3 also shows that the interaction term between direct and indirect EV is positively and significantly related to firm innovation ($\beta=.017$, $p=.00$), supporting the complementarity of direct and indirect representative voice in affecting SMEs' tendency towards innovation. Following Aiken and West (1991), to facilitate interpretation of this form of relationship, we plotted the interaction and performed simple slopes tests in Figure 3.1. The results show that the relationship between direct EV and firm innovation is stronger when indirect EV is higher versus lower (respectively $\beta = .117$, $p < .00$ and $\beta = .168$, $p < .00$ for lower and higher indirect EV). Hypothesis 3 is therefore supported by the data.

Finally, in Models 4 and 5, the differences between small and medium sized firms in terms of the relationships between EV mechanisms and the propensity to innovation (hypothesis 4) were presented. The results show that the impacts of direct EV on a firm's innovation is positive and statistically significant in both small ($\beta = .121$; $p < .00$) and medium-sized firms ($\beta = .109$; $p < .00$). Conversely, the interaction effect between direct and indirect EV is positive and statistically significant only in medium-sized firms ($\beta = .029$; $p < .00$). Hence, hypothesis 4 is supported by our analysis.

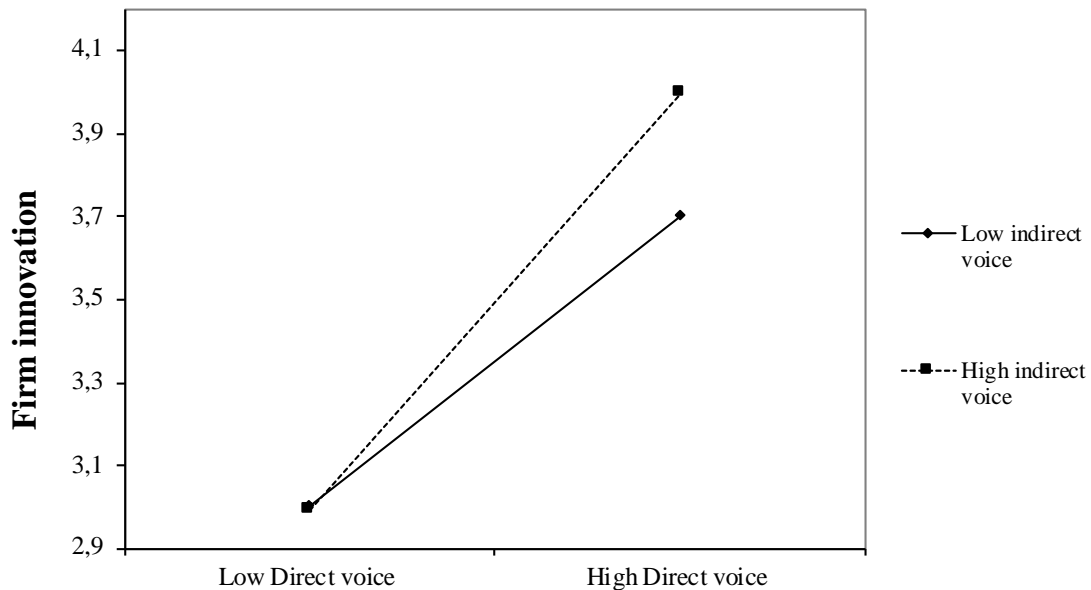
Table 3.3 - Hierarchical regression models for the employee voice and firm innovation

<u>Predictors</u>	Firm Innovation									
	Model 1		Model 2		Model 3		Model 4		Model 5	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
<i>Compartmentalized</i>	.0119	.065	-.030	.065	-.032	.065	-.008	.058	-.067	.090
<i>Collaborative</i>	-.028	.046	-.032	.048	-.032	.048	-.020	.048	-.054	.064
<i>Fragmented_RigidMarket</i>	.309***	.044	.331***	.048	.330***	.048	.345***	.046	.303** *	.063
<i>Fragmented_FlexibleMarket</i>	ref	ref	ref	ref	ref	ref	ref	ref	ref	ref
<i>Manufacturing</i>	.042	.050	.062	.052	.061	.051	.066	.053	.049	.063
<i>Construction</i>	-.266***	.056	-.216***	.055	-.217***	.055	-.208***	.062	-.236** *	.069
<i>Commerce_hospitality</i>	.014	.055	.042	.053	.041	.053	.056	.054	.002	.068
<i>Transport_communication</i>	-.273***	.054	-.230***	.051	-.231***	.051	-.246***	.061	-.215** *	.064
<i>Financialservices_realestate</i>	.062	.067	.068	.065	.067	.065	.001	.076	.149*	.086
<i>Other services</i>	ref	ref	ref	ref	ref	ref	ref	ref	ref	ref
<i>Size_Small</i>	ref	ref	ref	ref	ref	ref	-	-	-	-
<i>Size_Medium</i>	.215***	.020	.148***	.020	.149***	.020	-	-	-	-
<i>Private</i>	-.006	.040	.034	.040	.036	.040	.023	.043	.060	.059
<i>Public</i>	ref	ref	ref	ref	ref	ref	ref	ref	ref	ref
<i>Multilocated</i>	.282***	.023	.237***	.024	.236***	.024	.248***	.029	.222** *	.033
<i>Single</i>	ref	ref	ref	ref	ref	ref	ref	ref	ref	ref
<i>Training</i>	.034***	.005	.023***	.005	.023***	.005	.024***	.005	.021** *	.007
<i>Seniority</i>	-.040***	.011	-.036***	.011	-.036***	.011	-.037***	.011	-.032*	.018
<i>Teamwork</i>	.329***	.019	.271***	.019	.272***	.019	.252***	.021	.317** *	.031
<i>Performance Appraisal</i>	.049***	.003	.031***	.003	.031***	.003	.030***	.004	.033** *	.006

<i>Labour Productivity</i>	.200***	.012	.189***	.012	.189***	.012	.183***	.015	.196** *	.020
<i>Work Climate</i>	.071***	.013	.053***	.013	.052***	.013	.080***	.015	.014	.022
<i>Retention Policy</i>	.035**	.018	.026	.017	.026	.017	.022	.019	.033	.026
<u>Independent variable</u>										
<i>Direct voice (DV)</i>			.126***	.007	.117***	.008	.121***	.009	.109** *	.013
<i>Indirect voice</i>			.052***	.015	-.003	.025	.029	.037	-.041	.038
<u>Two-way interactions</u>										
<i>Direct voice*Indirect voice</i>					.017***	.006	.005	.009	.029** *	.010
Number of obs	18,680		18,680		18,680		11,630		7,050	
Adj. R²	0.132		0.155		0.155		0.144		0.127	

Notes: * $p < 0.1$. ** $p < 0.05$, *** $p < 0.01$. Unstandardized Beta coefficients were reported; listwise deletion method was employed to deal with missing data which reduced sample size from 19,739 to sizes ranging from 7,050 to 18,680. All tests were two-tailed and robust std. err. adjusted for 180 clusters in country and sector.

Figure 3.1: Indirect voice strengthens the positive relationship between direct voice and firm innovation.



Discussion

The present study analyzes how employee voice and collective participation affect firm innovation in small and medium-sized firms. One important finding is the positive relationship between direct EV and firms' innovation, which is consistent across the models tested and concerns small, as well as medium sized firms. This result supports the existing HRM literature, which features SMEs as characterized by a predominance of direct relationships between management and employees (Budd *et al.*, 2010; Sheehan, 2014; Sameer and Özbilgin, 2014). Importantly, our findings add to such literature by showing that direct relationships in SMEs does not mean informality, as some literature tends to sustain (e.g. Sameer and Özbilgin, 2014; Dundon, *et al.*, 1999). Indeed, direct voice should be formalized through specific practices such as, for example, ad-hoc groups, regular meetings, suggestion schemes. These mechanisms represent a form of intrinsic motivation for employees, who are then more likely to successfully contribute

to firm innovation (Della Torre *et al.*, 2019). The more the individuals feel involved and participate directly in decisions, with the possibility to express their ideas and/or their disagreement, the more they are encouraged to contribute to innovation. Through these voice mechanisms the possibilities to interact with managers are expanded beyond issues related to one's own role and duties (Holland *et al.*, 2017). This a crucial step in the management of the innovation process, as managers need to be supported by their employees (with specific knowledge, skills and experience) to facilitate innovation (Morrison, 2011).

Turning to indirect EV, contrary to our expectations our study shows that indirect voice mechanisms do not have significant effects on firm's innovation in SMEs. An explanation could be that in this context unionization is weaker than in larger firms (Illesy *et al.*, 2007; Holten and Crouch, 2014), and therefore they do not have a real influence on a firm's tendency toward innovation. Indeed, SMEs' employees very often prefer not to appeal to trade union representation in order not to damage the trust established with managers and other colleagues (Gautam and Markey, 2017). In this interpretation, employees involve unions only when they have significant grievances with the company that they cannot resolve themselves through direct voice mechanisms. Thus, the role of unions (and employees representation) in SMEs remain confined to issues related to employees' working conditions rather than to more strategic issues such as firm innovation, as is (at least partially) the case in larger firms (e.g. Fang and GE, 2012; Addison *et al.*, 2017). Adopting Herzberg's dual-factor theory, in these contexts indirect voice (*per se*) mainly assumes the role of an hygienic factor that may reduce workers' dissatisfaction but is not able to generate motivation to innovate.

This interpretation is also consistent with the finding on the positive effect of the coexistence of both direct and indirect EV on firm's innovation. Indeed, the presence of direct participation and involvement of employees may turn the role of unions and employee representatives from reclaiming for better working conditions to supporting the innovation process. When unions see that management involves employees in strategic initiatives, they are more likely to attempt to establish cooperative relationships with management. Similarly, when management strongly relies on its employees for innovation, it is also more likely to adopt a positive and involving approach with their representatives (union or non-union). This cooperative approach, combined with direct

voice benefits, leads to the best results in terms of innovation for SMEs. In this regard, our study is the first (to our knowledge) that considers this interaction in the context of SMEs and acknowledges the synergistic and complementary effects of direct and indirect voice mechanisms with respect to SMEs innovation. This finding is also in contrast with other studies on large firms which suggest a higher effectiveness of non-union voice compared to union voice (e.g. Bryson, 2004), thus indicating that SMEs may differ from larger firms in terms effectiveness of multiple voice channels.

Finally, this study disentangles the effects of EV mechanisms on firm innovation in small and medium-sized firms separately. Our results show that the effects of employee voice and innovation could be influenced by the dimension of the organization. While the positive effects of direct voice are consistent across firm sizes, the results vary in relation to the complementarity effects of direct and indirect EV mechanisms. Specifically, medium-sized firms benefit of such complementarity effects, whereas smaller firms do not. This could be partly because indirect EV in small businesses (i.e. companies with less than 50 employees) has only a marginal effect on the employee-manager relationship and trade unions are mostly non-existent. In other words, medium-sized companies appear to be more able to exploit the complementarities between direct and indirect employees involvement in the innovation process, probably because they have more available resources for implementing professional HRM practices than smaller ones (Illesy *et al.*, 2007; Holten and Crouch, 2014) and they are also more open to trade union representation. Our study helps HR professionals to understand the nature of the most suitable voice systems in small and medium-sized firms, showing that both types of firms differ in terms of their ability to exploit the potential of the intersections between the various EV mechanisms.

Overall, it can be argued that medium-sized firms are more able to use employee voice mechanisms to achieve greater innovation performance than smaller firms, thus confirming the need for future HRM research to consider SMEs as a heterogeneous category.

Limitations and future research

Despite these contributions, this study has several limitations, which need further discussion. First, the sample is cross-sectional, preventing us from making causal inferences. This general problem is common to most HRM research (Jiang and Messersmith, 2018) and was mitigated by the large number of observations in our sample. Second, consistent with the literature we evaluated SMEs propensity to innovation based on the presence of innovations within a given period (e.g. Arvanitis *et al.*, 2016; Anzola-Román *et al.*, 2018), rather than the intensity within an organization. Future research could take a longitudinal approach, capture the intensity of innovations and adopt more comprehensive measures to test the robustness of our findings. Next, with regard to EV, our measures do not capture the quality (e.g. the level of trust and justice that characterizes the voice process, see Cunha *et al.*, 2019; Kougiannou *et al.*, 2020) and the content of voice arrangements (e.g. complaining or grievance versus suggestions for improvement, see Bacon and Hoque, 2005; Marchington and Cox, 2007). Future studies could examine the content and the frequency in which each mechanism is utilized and the relationship between the quality of the interactions between managers and employees and the outcomes of voice processes. Finally, yet importantly, future studies might analyze how the effects of EV mechanisms differ depending on employees-managers utilization of emerging suggestions from EV mechanisms. Indeed, recent reviews suggest that there are situations where EV structures exist and employees utilize them but no one listens or despite hearing by management, they are ignored, or no action follows (Wilkinson *et al.*, 2018).

Conclusion

Adopting the lens of intrinsic motivation to better understand how contingencies in EV mechanisms influence a SME's tendency towards innovation, this paper advances our understanding of HRM in SMEs in two directions. First, the study reveals that HR practices able to influence employees' intrinsic motivation, such as direct voice mechanisms, are effective in terms of firm's innovation even in contexts characterized by high levels of informality in employment relationship. Surprisingly, this hold not only for

medium sized firms but also for smaller ones.

Second, for medium sized firms only, the relationship of direct EV with firm's innovation is stronger when indirect EV mechanisms are also adopted, suggesting that when larger firms adopt a participative approach to innovation, they can achieve the highest results involving not only the employees, but also their representatives (union or non-union). This indicates a cooperative approach to employment relationships as the better way to increase firm competitiveness (Johnstone and Wilkinson, 2018). Future studies could usefully explore these promising lines of inquiry in SMEs.

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IV Chapter

EMPLOYEE VOICE, HUMAN CAPITAL AND ORGANIZATIONAL PERFORMANCE: A STUDY ON ITALIAN COMPANIES

Abstract

This study contributes to the organizational literature on employees' involvement in the decisions affecting their work and the organization to which they belong. In particular, the study focuses on the relationship between employee voice mechanisms and organizational performance and on how such a relationship varies depending on the human capital levels of the organization. The analysis of data regarding 168 companies included in the Italian section of the Cranet database (2015) shows that both employee voice mechanisms and the human capital levels of an organization have a positive relationship with organizational performance. In addition, research results indicate that the highest organizational performance levels occur in those companies where high employee voice and high human capital are jointly present. These results thus support the idea that there is a complementary relationship between practices directed at enhancing employee involvement and human capital, which leads to superior company performance.

Keywords: Employee voice, Employee involvement, Human capital, Organizational Performance, Italy

Introduction

The interest of scholars and professionals in the issue of employee involvement has grown enormously in recent years. In the international debate, much attention is paid to the concept of employee voice (e.g., Morrison, 2014; Mowbray et al., 2019; Wilkinson et

al., 2020), understood as a set of opportunities for employees to have a say in decisions affecting their work and the organization as a whole (Wilkinson et al., 2014; Zhou et al., 2019). Given the breadth of the concept and its importance in contemporary workplaces, researchers have focused their attention on several aspects related to the phenomenon, including the evolution of its meaning (e.g., Dundon et al., 2004; Wilkinson et al. al., 2014), the determinants, consequences, and trends of the different forms that involvement can take (e.g., Bryson, 2004, 2006; Brewster et al., 2007; Willman et al., 2009; Kaufman, 2015), the relationship to individual and organizational outcomes (e.g., Freeman and Medoff 1984; Pyman et al, 2006; Royer et al., 2008; Kim et al. 2010; Deery et al. 2014), and the role of institutional and organizational context in influencing adoption and effects in different countries (e.g., Godard, 2010; Ribarova, 2011; Townsend et al., 2013; Marchington, 2015).

As regards the relationships between employee voice and company results, the literature has mainly confirmed the positive effects of workers' voice mechanisms in terms of labour productivity, economic performance and organizational innovation (e.g., Wood and Wall, 2007; Kim et al., 2010; Wang et al., 2015; Kesting et al., 2016; Della Torre et al., 2020). However, it is reasonable to be believed that the effects of employee involvement are, at least in part, linked to the quality of the human capital employed in the organization. In other words, if the goal of employee involvement practices is to achieve better decisions that lead to increased organizational efficiency and effectiveness and the development of innovation, the effects of such practices can be expected to be related to the levels of knowledge, skills and abilities of the members of the organization involved in decision-making processes. Similarly, the workers' choice to contribute to decisions using available voice channels may depend on the level and quality of their professional knowledge and experience (De Winne and Sels, 2010). Surprisingly, despite the significant development that the employee voice literature has had in recent years, there is no evidence capable of explaining the relationship between voice mechanisms and the organization's human capital.

The aim of this work is, therefore, to contribute to bridging this gap in the literature by offering an analysis of the relationship between the employee voice mechanisms and the organization's results, and how this varies as the levels of human capital employed by the organization change. Through an empirical analysis of the data relating to the Italian

organizations participating in the Cranet survey (2015), this article intends to contribute to the literature on employee voice in particular by highlighting the role of human capital in amplifying the relationship with organizational performance. In addition, the study offers relevant managerial implications for professionals working in the field of human resource management to support them in designing effective voice systems in organizations characterized by varying human capital intensity.

The employee voice in the organizational debate

The spread of the term “employee voice” dates back to the development of the “Exit-Voice-Loyalty” theory of Albert Hirschman (1970), who considered employee voice, that is “making one’s voice heard”, as an action aimed at trying to change a given situation considered unsatisfactory. This category of actions includes any attempt to change the state of things in problematic situations, rather than escape from them. In other words, voice is considered as a means by which it is possible achieve better results, thus encouraging change (Hirschman, 1970).

The diffusion of the concept of employee voice is also closely linked to the contribution of Freeman and Medoff (1984) who, taking up and adapting Hirschman's theory, define employee voice as a tool that allows workers to communicate with management. Their contribution focuses in particular on trade unions as the best way for employees to express their voice and as a channel that can generate benefits for both employees and employers. Starting from these two seminal contributions, several studies have contributed to the debate on employee voice by adopting various disciplinary approaches including, for example, the economic and sociological one centred on industrial relations and the role of trade unions, the managerial one based on direct voice mechanisms and the individual, and the psychological one focused on organizational behaviour and on the informality and discretion of voice. This disciplinary variety has led the concept of employee voice to assume innumerable definitions and meanings, depending on the approaches adopted and the actors involved (Wilkinson et al., 2014).

In general terms, employee voice can be defined “any type of mechanism, structure or practice, which provides an employee with an opportunity to express an opinion or

participate in decision-making within their organization” (Lavelle et al., 2010, pg.396). The term employee voice connotes the willingness of workers to make themselves heard, to give voice to their opinions and interests, thus actively participating in the management of the organization they belong to (Wilkinson et al., 2018). Recently, Wilkinson et al. (2020) offered a more complete conceptualization of the term, differentiating between direct or indirect, individual or collective, formal or informal voice mechanisms.

Of these classifications, the one that has certainly been analyzed in greater depth is the distinction between direct and indirect mechanisms. Direct mechanisms refer to practices that allow workers to directly express concerns and views to influence decisions in the workplace, for example through regular meetings between employees and managers, meetings of a committee or ad hoc group, and online discussion forum (Zhou et al., 2019). Through direct voice mechanisms, collaborators have the opportunity to express their ideas and opinions directly to managers, without the mediation of representatives (Holland et al., 2017). These mechanisms can involve the single worker and, therefore, be individual, or they can involve a group of workers and consequently take on a collective connotation. Indirect voice mechanisms, on the other hand, refer to those mechanisms that allow employees to express their positions and views through their representatives, for example through trade unions, works councils or joint advisory committees (Brewster et al., 2007; Wilkinson et al., 2014).

The relationships between employee voice and organizational performance

Apart from the categorizations described in the previous section, the concept of employee voice can take on two main connotations (Johnson and Wilkinson, 2013; Shipton et al., 2019). On the one hand, employee voice mechanisms can simply represent a channel through which employees can individually or collectively express their ideas, concerns or suggestions. On the other hand, such mechanisms can be seen as a way to capture the potential contribution and expert knowledge of employees, in order to improve the decision-making process of the organization and, ultimately, increase the productivity and competitiveness of the organization (Johnson and Wilkinson, 2013). The purpose of adopting voice mechanisms can therefore be traced back to the desire to reduce

any dissatisfaction of workers and capture all the ideas and proposals of its employees in order to improve organizational performance (Dundon et al., 2004).

Empirically, the adoption of employee voice mechanisms has not only been associated with improvements in employee satisfaction levels and greater levels of loyalty towards the organization (McCloskey and McDonnell, 2018; Wilkinson et al., 2018), but also to the improvement of company results, typically in terms of labour productivity (Della Torre, 2019). The mere fact of having a say in work issues, for example with respect to the introduction of new work processes, generates a motivational drive in employees to perform their tasks in the best possible way (Wohlgemuth et al., 2019). However, the positive effects of these mechanisms also involve management. These practices, in fact, lead to the possibility of analysing problems more comprehensively and making strategic decisions in better conditions, thanks to the information and different perspectives provided by workers (Wohlgemuth et al., 2019). Therefore, it seems possible to argue that the adoption of these mechanisms can lead to the realisation of mutual gains, that is to say of advantages in favour of all the actors inside the organization, despite the intrinsic divergence of interests between the parties involved (McCloskey and McDonnell, 2018).

Although for some it seems problematic to talk about a direct link between employee voice and organizational results because it is difficult, for example, to consider the impact of a single HR practice by separating it from other contextual factors (Dundon et al., 2004), several studies support such a perspective (e.g., Patterson et al. 1997; Sako, 1998; Fu et al., 2017). Wilkinson et al. (2004) in their qualitative study of 18 British and Irish companies, demonstrated how voice channels favour the development of a better and comfortable environment in which to work, in which employees feel fully involved. The adoption of these mechanisms creates the conditions for workers to share ideas, opinions or suggestions, thus allowing management to make better decisions, which results in an improvement in performance levels (Morrison, 2011). This is particularly true when voice mechanisms are adopted according to a substantive approach, i.e., aimed at taking into consideration the opinions and ideas of workers, and when workers are involved in decisions relating to day-to-day work (Kim et al., 2010). Similarly, Alfes et al. (2013) in their case study in the UK, support the idea that opportunities for workers to ‘make their voices heard’ positively influence their level of engagement and, consequently, organizational performance. The more tools offered to workers to express themselves, the

greater the possibility for the company to benefit from the skills, knowledge and experience of its workers. In this regard, Fu et al. (2017) urge the adoption of HR practices aimed at developing greater participation opportunities for workers as a means of achieving better results and in order to make improvements to existing practices.

In light of the above, we expect the adoption of employee voice mechanisms to positively influence company results. Formally, we propose the following hypothesis:

H1. The adoption of employee voice mechanisms has a positive relationship with organizational performance

Human capital as a moderator in the relationship between employee voice and organizational performance

Human capital has always been seen as a source of value, both for management and for the individual employee. Generally speaking, human capital can be defined as “the knowledge, skills, and abilities residing with and utilized by individual” (Subramaniam and Youndt, 2005, pg.451).

The theory of human capital (Becker, 1962) is configured as a solid basis for analysing the effects of employee voice mechanisms on organizational performance. This model supports the idea that individuals’ skills can be developed through training and learning, generating generic human capital (i.e., transversal skills that can be adopted in any organization) and specific human capital (that cannot be adopted elsewhere) (Becker, 1975).

Although human capital has been analyzed for the most part with an individual focus (Becker, 1964; Schultz, 1961), more recent contributions have begun to configure it as a collective resource, introducing the concept of Human Capital Resources, meaning the set of “Individual or unit-level (collective) capabilities based on knowledge, skills, abilities and other individual characteristics that are accessible for unit-level purposes” (Ployhart et al., 2014, p. 381). In other words, human capital can be considered and analyzed both at the level of the individual, with the related psychological aspects, and at the company level, as a single entity made up of all employees (Nyberg, 2014). Human

Capital Resources are thus configured as a source of competitive advantage, helping to facilitate the achievement of better organizational results (Wright et al., 1994; Hitt et al., 2001). The emphasis on human capital underlines the importance of intangible assets in achieving a competitive advantage.

This theoretical approach is supported by growing empirical evidence demonstrating the existence of a positive link between human capital and organizational performance (e.g., Crook et al, 2011; Hatch et al., 2004; Hitt et al., 2001; Jiang et al., 2012; Felicio et al., 2014; Tanaka, 2021). Through a meta-analysis carried out on 66 studies, Crook and colleagues (2011), demonstrated that human capital is strongly and positively correlated with organizational results. To supplement this evidence, a recent study on the Italian manufacturing context has shown that the positive relationship between human capital and organizational productivity is damaged by the inflows and outflows of the workforce as, on the one hand, the exits represent a "destruction " of the organization's existing capital, on the other hand, new entrants require time to be integrated with the organizational human capital already available to the organization (Della Torre et al., 2018). Overall, the literature agrees increasingly that human capital development plays a fundamental role in the vitality and the achievement of better organizational strategies (Campbell et al., 2012).

Consequently, we assume that:

H2. Human capital has a positive relationship with organizational performance.

It has also been observed that in order for human capital to generate a competitive advantage, it is necessary for the organization to invest in practices that nurture and develop the skills and abilities of individuals (Jiang et al., 2012). Wright and Snell (1991) highlighted the interrelationships between employees' knowledge, skills and abilities and their behaviour. The authors argue that these components are necessary, but not sufficient, for employee behaviour to be consistent with corporate objectives. To achieve this, it is necessary to identify the key mechanisms for transforming human capital into a resource that generates competitive advantage. In this sense, employee voice mechanisms represent the channel through which employees have the opportunity to use and exploit their skills and knowledge, thus increasing their degree of satisfaction and motivation

thanks to the perception of contributing to the success of the company with their ideas. Ma et al. (2019), in their study of 304 manufacturing companies, showed that to achieve high level of performance, high levels of human capital must be accompanied by adequate employee voice practices. It has also been shown that employee voice mechanisms act in support of dynamic capabilities (Wohlgemuth et al., 2019) and favour the innovation process at the enterprise level (Della Torre et al., 2020). Overall, it is reasonable to expect that employees who possess adequate skills, knowledge, and competencies are also those most interested in participating in business decisions (McCabe and Lewin, 1992).

Despite the potential complementary relationship between the human capital of the organization and employee voice mechanisms, the empirical literature has largely neglected the analysis of the combined effects between these two organizational variables. For example, if it is true that we can expect the best results to occur in situations of high involvement combined with high human capital, we have no evidence of the effects generated by the simultaneous presence of practices designed to foster worker involvement and low levels of human capital. However, this is crucial because in contexts where the organization's knowledge, skills, and abilities are limited, employees may not have the resources to contribute as positively as they would in high human capital settings. In such contexts, adopting advanced employee voice mechanisms could therefore have little or no impact on outcomes, reducing the quality and speed of decision making (Pendleton and Robinson, 2010).

In conclusion, the effects of employee voice mechanisms on organizational performance can vary significantly depending on the levels of human capital present in the organization. In organizations with a high intensity of human capital, motivating employees and providing them with the right mechanisms for involvement leads to an important input in the decision-making process and in a better use of knowledge, skills and abilities, which can significantly impact on organizational performance; in organizations with low human capital intensity, the contribution that employees can make is limited and can have small effects in terms of organizational performance. Formally, we propose the following hypothesis:

H3. The positive relationship between the adoption of employee voice mechanisms and organizational performance is greater in organizations with high levels of human capital than in those with low levels of human capital.

Research methods

Sample

The data used in this study are based on the Italian sample from the Cranet international survey (Nacamulli et al., 2015). It is one of the most representative comparative surveys of human resource management systems at an international level (Brewster et al., 2000) and provides information on practices adopted by large organizations (> 200 employees). The Italian sample is made up of 168 organizations and the respondents are mostly personnel managers (60%).

34% of the companies involved operate in the manufacturing sector, 42% in the services sector and 24% in the advanced services sector. Firms are mainly private (66%) and with a focus on the domestic market (54%). 52% have more than 25% of highly educated workers and 40% of the companies involved in the study have more than 2,000 employees.

Variables

Dependent variable. In line with other studies based on Cranet data (e.g., Nikandrou et al., 2008), the organizational performance variable is given by the sum of 4 variables that measure the subjective perception of the level of service quality, productivity, profitability and level of innovation of the organization in relation to those operating in the same sector on a scale ranging from 1 ("low") to 5 ("excellent").

Independent variables. The employee voice variable is given by the sum of nine methods used by employees to communicate their points of view to management, on a

frequency scale of use of the single mode ranging from 0 ("not at all") to 4 ("all"). In order to correct the risk that the measurement of the effects of many modalities adopted only once would be equated with that of the more intense use of a reduced number of channels, each measurement was squared before being added to the others. The choice of giving greater weight to the intensity of use of a given modality rather than to the number of channels used, represents a significant added value of this study. Indeed, one of the main limitations of the employee voice literature lies in the use of indicators that merely detect the presence or absence of a practice, while it has been repeatedly observed that what matters most is the depth (i.e. the intensity) with which such practices are adopted (Kaufman, 2014). Table 4.1 shows the nine employee voice modes analyzed in the survey together with the percentage of use for each of them.

Human capital, on the other hand, was measured using the scale developed by Youndt et al.(2004) and later used by Subramaniam and Youndt (2005) to analyse the perception of personnel managers about the human capital of their organization. The scale consists of 5 items measured on a Likert scale ranging from 0 ("not at all") to 4 ("a lot"). Examples of items are: "Our employees are creative and ingenious" or "Our employees develop new ideas and knowledge".

Table 4.1: employee voice modalities considered in the questionnaire

<i>Employee voice mode</i>	<i>%</i>
Directly to the top of the company	78%
Through the direct superior	98%
Through trade union representatives	91%
Through work councils	23%
Through meetings organized by the working group	57%
In collective meetings	61%
Suggestion collection schemes	52%
Surveys aimed at employees	60%
Electronic communication	83%

Control variables. On the basis of the existing literature, a series of control variables have been identified that can influence the phenomenon under analysis. In particular, the organizational dimension is represented by the number of people employed in the company. The presence of executives is measured as a percentage of executives / managers out of the total staff. Individual bonuses are measured through a dummy variable (1 = yes, 0 = no) regarding the company's adoption of bonuses for employees / workers linked to individual objectives / performance. Other controls concern the situation of the market in which the organization operates (scale from 1 "in sharp decline" to 5 "in strong growth") and the percentage of employees with a university degree out of the total staff. Organizational age is given by the number of years since the founding of the organization and we also controlled for private or public context (1=private, 0=non-private) and macro sector (three categories: manufacturing, basic services, advanced services).

Table 4.2 reports the description and measurement of variables considered and Table 4.3 the descriptive statistics of the variables used in this study.

Table 4.2. Description of variables

Variables	Description	Measures
<u>Dependent Variable</u>		
<i>Organizational performance</i>	sum of 4 variables that measure the subjective perception of the level of service quality, productivity, profitability and level of innovation of the organization in relation to those operating in the same sector	from 1 (“Low”) to 5 (“Excellent”)
<u>Independent Variables</u>		
<i>Employee voice</i>	sum of nine channels used by employees to communicate their views to management (directly to top management, through direct supervisors, through trade union representatives, through workers' councils, through meetings organised by the working group, in collective meetings, suggestion-gathering programmes, employee surveys, electronic communication)	from 0 (“None at all”) to 4 (“All”)
<i>Human Capital</i>	scale developed by Youndt et al. (2004) and subsequently used by Subramaniam and Youndt (2005)	from 0 (“None at all”) to 4 (“All”)
<u>Control Variables</u>		
<i>Size</i>	number of people employed in the company	
<i>Managers</i>	percentage of managers/leaders out of total staff	
<i>Individual bonuses</i>	adoption by the company of bonuses for employees/workers linked to individual objectives/performance	<i>dummy</i> (1=yes, 0=no)
<i>Market trends</i>	the situation of the market in which the organization operates	from 1 “strongly declining” to 5 “strongly increasing”
<i>Graduates</i>	percentage of employees with a university degree out of total staff	

Age of the organization number of years since the organization was founded

Private or 1=private, 0=not private

Public

Macro sector three categories: manufacturing, primary services, advanced services

Table 4.3: Descriptive statistics

	Average	Dev. st.	min	max	n
Organizational performance	14.68	2.42	8	20	168
Employee voice	33.90	15.67	3	80	168
Human capital	12.90	3.20	3	20	168
Dimension	1,967	3,740	195	33,000	168
Senior executives	10.96	11.31	0	67	168
Individual bonuses	0.51	0.50	0	1	168
Market trend	2.88	0.80	1	5	168
Graduates	3.50	1.13	0	6	168
Age of the organization	74.08	88.95	5	798	168
Manufacturing	0.46	0.50	0	1	168
Advanced services	0.21	0.41	0	1	168
Private sector	0.66	0.47	0	1	168

Analyses

Pearson's correlation analysis was conducted to test univariate relationships. Next, hierarchical multiple regression analysis was employed to examine multivariate effects on organizational performance and test hypotheses. This approach consists of building several regression models by adding variables to a previous model at each subsequent step and checking if the newly added variables imply a significant improvement in the percentage of variance explained. In total, three models were calculated. In Model 1, control variables were introduced. In Model 2, the independent variables employee voice and human capital were introduced. Finally, in Model 3, the term of interaction between employee voice and human capital was introduced. To reduce the risk of multicollinearity, the variance inflation factors (VIFs) of each variable were examined (maximum value 2.6) and all variables were standardized (Aiken and West, 1991).

Results

Table 4.4 shows the Pearson correlation indices of the variables included in the regression model. Table 4.5, on the other hand, presents the results of the hierarchical regression analysis.

Table 4.4: Correlations

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
<i>1. Organizational performance</i>											
<i>2. Employee voice</i>	0.32**										
<i>3. Human capital</i>	0.33**	0.25**									
<i>4. Size</i>	0.06	0.06	0.07								
<i>5. Managers</i>	-0.02	0.06	0.06	-0.06							
<i>6. Individual bonuses</i>			0.05	0.12	-0.00						
<i>7. Market trend</i>	0.25**	0.20**									
<i>8. Graduates</i>		0.06	0.13	0.03	0.08	0.12					
<i>9. Age of the organization</i>	0.30**										
<i>10. Manufacturing</i>		0.18*	0.15*	0.04		0.07	0.16*				
<i>11. Advanced services</i>	0.24**				0.25**						
<i>12. Private sector</i>	-0.13*	-0.12	0.11	0.02	0.07	-	-0.06	0.04			
						0.18**					
	-0.04	0.17*	0.18*	0.04	0.06	-0.03	-0.10	-	-0.07		
								0.21**			
		-0.03	0.02	0.07	0.10	0.17*	0.10	0.28**	-0.06	-	
	0.18**									0.49**	
	0.06	0.09		0.10	0.01	0.10	-0.06	-	-0.12	0.49**	
			0.21**					0.23**			0.19**

Notes: $n = 168$. * $p < 0.05$, ** $p < 0.01$

Table 4.5: Results of the Regression Analysis on Organisational Performance

	Model 1		Model 2		Model 3	
	B.	SELF	B.	SELF	B.	SELF
<i>Size</i>	0.00	0.00	-0.00	0.00	0.00	0.00
<i>Managers</i>	-0.02	0.02	-0.02	0.02	-0.02	0.02
<i>Individual bonuses</i>	0.82*	0.36	0.61†	0.34	0.62 †	0.34
<i>Market trend</i>	0.76***	0.22	0.66**	0.21	0.67**	0.21
<i>Graduates</i>	0.48**	0.17	0.27	0.17	0.26	0.17
<i>Age of the organization</i>	-0.00	0.00	-0.00	0.00	-0.00	0.00
<i>Manufacturing</i>	0.19	0.55	-0.12	0.52	-0.19	0.52
<i>Advanced services</i>	0.47	0.63	0.58	0.59	0.55	0.59
<i>Private sector</i>	0.37	0.53	0.05	0.51	0.10	0.50
<i>Employee voice</i>			0.48**	0.18	0.46**	0.17
<i>Human capital</i>			0.59**	0.18	0.65***	0.18
<i>Employee voice * Human capital</i>					0.39*	0.17
R2 correct	0.16		0.25		0.27	
ΔF.	4.46***		11.37***		4.89*	

Note: † $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Basic services (ref.).

In Model 1 the control variables have been inserted. This represents the basic model from which the effects of control variables on organizational performance are tested. In this case, only the variables related to the adoption of individual bonuses ($\beta = .82$, $p < .05$), to the market trend ($\beta = .76$, $p < .001$) and to the percentage of graduates present in the

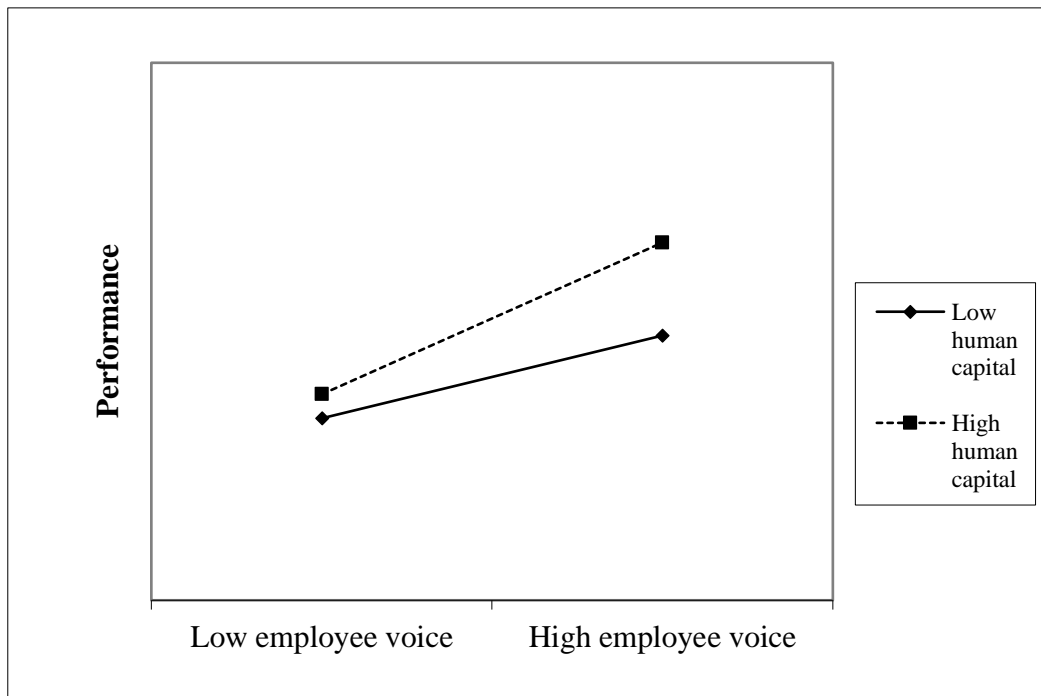
company ($\beta = .48, p <.01$) are significantly and positively associated with organizational performance.

Model 2 shows how both employee voice ($\beta = .48, p <.01$) and human capital ($\beta = .59, p <.01$) are significantly and positively associated with organizational performance, thus supporting our hypotheses 1 and 2.

Finally, Model 3 presents all the control and independent variables as well as the interaction term between employee voice and human capital, which appears to have a significant and positive relationship with the dependent variable ($\beta = .39, p <.05$). The presence of human capital, therefore, reinforces the effect of employee voice on organizational performance, thus supporting hypothesis 3. Overall, the complete model has the best fit and the percentage of variance explained by the model (27%) appears to be in line with similar studies (Zhou et al., 2019; Lazazzara et al., 2020).

In order to better interpret the effects resulting from the interaction between employee voice and human capital, the graph of the simple slopes was produced to show how the effect of the independent variable changes for high (+1 SD) and low (-1 SD) levels of the moderator (figure 4.1). The analysis confirms that the effect between employee voice and organizational performance is significant both in the presence of low levels ($\beta = .46, t = 2.67, p <.01$) and of high levels of human capital ($\beta = .85, t = 3.52, p <.001$). In other words, the effect of voice mechanisms on organizational results is positive even in situations of low human capital, but the best results are achieved when the adoption of employee voice mechanisms is accompanied by the presence of high human capital.

Fig. 4.1: relationship between employee voice and organizational performance for different levels of human capital



Discussion and conclusion

Analyzing the employee voice issue from the theoretical perspective of human capital, this study demonstrates that both employee voice mechanisms and human capital levels have a positive and significant relationship with organizational performance. Furthermore, the results of the empirical analysis show that the highest levels of performance occur in companies that combine high levels of employee voice with high investments in human capital, thus supporting a perspective of complementarity that considers the development of practices aimed at increasing the human capital and employee involvement as an essential element for the competitiveness of modern organizations.

The results regarding the generally positive effects of employee voice mechanisms on organizational performance are consistent with the existing literature and confirm the

importance of employee involvement policies in decisions affecting their work and the organization as a whole (Pyman et al, 2006; McCloskey and McDonnell, 2018; Wohlgemuth et al., 2019). Voice mechanisms can be seen as a way to exchange ideas and encourage the contribution of workers to achieve better solutions, develop innovation and increase company competitiveness. Voice channels are linked to “two-way” communication structures (Wilkinson et al., 2004), which represent the starting point for effectively communicating and involving employees. If the organization values the ideas and opinions of its employees, they increase their degree of identification with the organization, stimulating a virtuous circle that leads to greater satisfaction for employees, a desire to contribute positively and better results for the organization. The more satisfied the workers and the greater their perception of being listened to, the more likely they will be to contribute to the improvement of company results. On the other hand, workers can also benefit if the company in which they operate reaches high production levels, thus leading to a win-win result for employees and management, stimulating a virtuous circle that leads to greater satisfaction for employees, the desire to contribute positively and better results for the organization.

However, it should be noted that the best results may also derive from the greater pressure exerted by management on employees. The literature shows, in fact, that the adoption of employee voice mechanisms can coexist, for example, with a managerial approach of the “management by stress” type (Parker and Slaughter, 1988), or with greater pressure on the employee to be more productive. Consistent with this view, Wood et al. (2012) found that direct employee voice practices have negative effects on workers’ well-being and argued that this can be explained by the increased anxiety generated by a management approach that encourages employees to be proactive and flexible. In this sense, indirect voice mechanisms (i.e., mediated by union representatives) can be considered superior to direct mechanisms, because employees feel they can provide genuine input without retaliation from management (Gill and Meyer, 2013). The collaboration between managers, workers and trade unions is, therefore, fundamental for the success of the new work systems based on involvement and the challenge lies in finding the right mix between direct and indirect involvement, overcoming the conception that sees these two forms in contrast with each other (Wood and Fenton-O’Creevy, 1999).

Consistent with the existing literature, our results also show that human capital has direct and positive relationships with business outcomes (e.g., Crook et al., 2011; Hitt et al., 2001; Hatch et al., 2004). Human capital thus emerges as an essential ingredient for the competitiveness of companies (Crook et al., 2011). In this sense, the results indicate that the possibility of generating competitive advantage does not depend only on the skills, competences and knowledge of the worker, but also on the company's ability to leverage these resources (Campbell et al., 2012). This highlights the importance of making use of practices and strategies that make it possible to exploit the resources already present in the organization, through, for example, the adoption of voice mechanisms that make enable the human capital available to be exploited (Ma et al., 2019). The use of adequate human capital can, on the one hand, be beneficial for the organization and, on the other, make the adoption of voice mechanisms more effective.

Consequently, attention must be paid to the acquisition of skills, knowledge and abilities that can be better exploited and listened to in response to specific company purposes (Glaeser et al., 2007). The voice mechanisms allow high levels of skills and competences to be exploited, but at the same time it is good that the company tries to create an organizational environment where its human capital resources show willingness to use these channels, activating proactive behaviour. The greater the level of trust and collaboration with the company, the greater the propensity of employees to commit themselves and to use and share their human capital. It is, therefore, a question of drawing on the potential of collaborators, involving them and making them participate actively in organizational life, also facilitating the emergence of any concerns, so that everyone has the perception of being able to "make a difference" within their own organization. Allowing workers to exercise their voice leads to greater motivation and willingness to continuously share their human capital, generating positive staff from the point of view of performance.

Limitations

This study has several methodological limitations which should be taken into account when interpreting the results discussed above. First, we have adopted an overall index to

measure employee voice, without distinguishing between the different mechanisms implemented in the company. Existing studies usually focus on a single modality of employee voice (Della Torre et al., 2020) or on the juxtaposition of results deriving from different forms (Zhou et al., 2019). However, it is rare that a single mode of employee participation is activated within an organization (Bryson et al., 2006) and the study of the effects resulting from a single practice does not, therefore, represent the real consequences for the companies adopting it. Furthermore, it is not certain that managers can decide how to interact with their employees or eliminate a specific channel that they consider counterproductive, as legal or regulatory aspects of various kinds may come into play (Lavelle et al., 2010). Secondly, the data on which the analysis is based refer to a single year (cross-sectional data), so it is not possible to make causality assumptions, i.e., to establish that it is the voice that determines the performance and not the other way around. Lastly, the results obtained can only be referred to the Italian territory, as it is not possible to guarantee that, in other contexts, the same effects will occur. In fact, Italy represents a context historically characterized by structured industrial relations and a high presence of trade unions, which differentiates it considerably, for example, from Anglo-Saxon or Asian contexts.

Future research

The range of possible participation methods that can be implemented by companies is extremely varied; the differences arise mainly from the aims to be pursued and from the number of employees to be involved (McCabe and Lewin, 1992). It is important to provide for different types of participation within organizations; the plurality of channels, in fact, can lead to greater benefits (Wilkinson et al., 2018). Once implemented, however, the participation channels must be constantly monitored and improved, in order not to compromise their effectiveness (Wilkinson and Fay, 2011). Future research should seek to distinguish the effects of the actual use of employee voice, both by employees and by managers. It could happen, for example, that employees are questioned by management, but their opinion is not heeded (Wilkinson et al., 2014). It would also be useful to investigate the effects of substitution and complementarity deriving from the combination

of different direct and indirect channels, so as to allow a broader and more in-depth vision of the combined effects of different voice mechanisms for the company and for the workers (McCloskey and McDonnell, 2018; Wilkinson et al., 2018). 2018; Wilkinson et al., 2018). 2018; Wilkinson et al., 2018).

The adoption and success of a specific method of participation also depend on the characteristics of the country in which the company operates. The research on the subject is mainly of Anglo-American origin, but it is not certain whether in other reference contexts the results obtained would be equally valid. Therefore, analysing other realities, such as the Italian one, can lead to the detection of different effects and allow the potential of the mechanisms available to companies to be fully understood, as well as helping to better understand the influence of the cultural and institutional context on the functioning of these mechanisms. This study opens the way to future contributions that will enable us to advance our knowledge of the specific context in which the companies of our country operate.

Regardless of the individual country, also in light of the new context determined by the Covid-19 pandemic which has impacted places and working conditions globally (Eaton and Heckscher, 2020), another area of research to be explored concerns the growing development and related effects of the new methods of remote voice, at an individual and organizational level. Recent studies have begun to explore the role of social media as possible channels for employee voice (e.g., Holland et al., 2016; Martin et al., 2015). Future research should focus on new forms of voice and the combined effect of digital and traditional channels.

Finally, investigating the dynamics of the opposite phenomenon to employee voice, i.e., the so-called employee silence, or the tendency of employees to withhold information relevant to the organization, could help strengthen the theoretical link between employee voice and its outcomes at an individual and organizational level, as recently suggested by other authors (Nechanska et al., 2020; Brinsfield and Edwards, 2020).

Conclusion

From this research it has emerged that employee voice and human capital represent two complementary and fundamental elements for the competitiveness of organizations and paves the way for reflection on the need to overcome the traditional concept that sees decision-making power exclusively in the hands of those who are formally invested with it (McCabe and Lewin, 1992). The adoption of practices favouring the involvement and participation of employees is not limited to the mere obtaining of advantages in terms of productivity, on which the attention of scholars and professionals often focuses. It represents an opening towards employees and, therefore, a possible democratic turning point within organizations (Wilkinson and Fay, 2011) that should be broadened and valued, as recently advocated by scholars concerned with human capital-intensive businesses and sectors (Grandori, 2016).

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V Chapter

COMPARATIVE ANALYSIS OF EMPLOYEE VOICE MECHANISMS AMONG INSTITUTIONAL EUROPEAN CONTEXTS

Abstract

In this paper, based on the varieties of capitalism approach, we analyzed data covering three of the institutional spheres differentiated in this approach. We made a comparison between Austria (included in a group of liberal market economies), the UK (of coordinated market economies) and Italy (of mixed market economies). Specifically, we found different employee voice effects in the types of capitalism considered. It emerged that direct voice mechanisms have a significant impact in the UK, whereas in Italy only indirect voice channels interact positively in relation to firm productivity. However, in Austria it emerged that both direct and indirect voice are relevant. Analyzing the content of five employee voice arrangements, which are organization and efficiency of work processes, dismissals, training and skill development, working time arrangements and payment schemes, in relation to firm productivity in each country offers new insight for EV literature.

Keywords: employee voice, productivity, content of voice, varieties of capitalism

Introduction

The varieties of capitalism approach (Hall and Soskice, 2001) is based on the believe that a firm's competitive advantage depends essentially on the institutional set-up of the country to which it belongs (Amable, 2003; Whitley, 2007). This article examines data

from United Kingdom, Austria, and Italy and represent good examples of the different "varieties of capitalism" (Hall and Soskice, 2001) at the heart of our analysis.

According to Hall and Soskice there are two main types of capitalism: liberal market economies (LMEs) and coordinated market economies (CMEs). The United Kingdom generally explains the first category (see Hall and Soskice, 2001; Brewster et al., 2007) while Austria represents the second group (see Brewster et al., 2014, 2015). Later versions have also included mixed market economies (MMEs) (Hancke et al., 2007) of which Italy is a member (it could be considered a case in point of this category, according Hancke et al., 2007, pg. 14). They also argue that the institutional context typical of LMEs, CMEs and MMEs provide support for different types of employee voice mechanisms. In this sense, employee voice systems can vary based on external and internal organizational arrangements such as institutional setting of the country or internal management arrangements, and the level and nature of participation differs greatly across countries in various types of capitalism (Szabo, 2006; Kwon and Farndale, 2020). Europe represents a unique context for exploring voice and participation as there are several distinctive factors that make the approach heterogeneous even within countries of the same group (Brewster et al., 2019). Employee voice mechanisms (ways through which employees share ideas about problems, ideas, and concerns in the workplace (Wilkinson et al., 2020)), are important for organizations, as they help to improve and increase firm efficiency and performance (Detert and Burris, 2007; Detert and Edmondson, 2011). Moreover, it is important to acknowledge that employee voice is seen as a means to express opinions with respect to specific content (e.g., related to organizational effectiveness or individual issues) (Dundon et al., 2004). The topics raised by employees are likely to cover a variety of topics that may be evaluated differently by the manager (Burris et al., 2017). Exploring the content of employee voice that is captured (analyzing what employees are talking about and what the consequences are), provides a broader view of how voice mechanisms work.

The article contributes to research on employee voice in several ways. First, given the dynamic nature of business, in order to deal with changes and consequently make appropriate decisions, managers need to gather information and opinions from workers as well. Our goal, therefore, is to review and integrate existing research, provide directions for future, and offer new insights to managers facing the international

environment. The article deepens our understanding of which of the two voice systems considered works better than the other and in what comparative context (between Austria, the UK and Italy). Second, by revealing the effect of voice content, our results shed light on the significant differences in the use of these channels by topic in the countries considered. To the best of our knowledge, this is one of the first studies who investigate the effect of specific voice content on performance outcomes (for example, one study analyzed the moderating role of message content in the development of employee voice, Köllner et al., 2019).

As the project has a European focus, data derived from the fourth European Company Survey (ECS, 2019). This article aims to advance the EV literature that analyses the impact of employee voice mechanisms (distinguishing the content of direct and indirect voice) on firm performance and to explore differences within each variety of capitalism. In sum, we address two questions. First, *how does the relationship between EV and firm productivity vary across different types of capitalism?* And second, *what are the contents of different EV mechanisms that are important for their effectiveness?*

Theoretical Framework and hypothesis development

The term of employee voice is conceptualized within the HRM and IR literatures (discussed in the Chapter 2 of this thesis) (Dundon et al., 2004; Spencer, 1986; Wood and Wall, 2007) as “a variety of ways in which employees, individually and collectively, express dissatisfaction, try to change a problematic situation, or become involved in organizational decision making (e.g., grievance filing, collective bargaining, suggestion systems, work councils)” (Morrison, 2011, pg. 379). In other words, “the ways and means through which employees attempt to have a say and potentially influence organizational affairs relating to issues that affect their work and the interest of managers and owners” (Wilkinson et al., 2014, p.5). Scholars in these streams of research refer to the use of a variety of mechanisms such as collective or individual, union or non-union and covers for example employment or organizational issues (Wilkinson et al., 2014, p.5; Dundon et al., 2004). In the literature two main aspects of voice can be identified: content and

mechanisms. The content refers to the issues being expressed, and the channels to the type of direct or indirect mechanisms adopted (Morrison, 2011; Mowbray et al., 2015; Köllner et al., 2019). Direct mechanisms refer to practices that allow employees to directly express concerns and views to influence workplace decisions, such as through regular meetings between employees and managers, meetings of a committee or ad hoc group, and online discussion forums (Zhou et al., 2019). Through direct voice mechanisms, employees have the opportunity to express their ideas and opinions directly to managers, without the mediation of representatives (Holland et al., 2017). Indirect voice mechanisms, on the other hand, refer to those mechanisms that allow employees to express their positions and views through their representatives, though, for example, unions, works councils, or joint advisory committees (Brewster et al., 2007; Wilkinson et al., 2014).

The propensity to predominantly consider direct or indirect voice mechanisms depends on the nature of the topic to be addressed, so the type of content could determine the appropriate channels to express it in each specific context (Köllner et al., 2019). According to this conceptual distinction, the next section will develop the hypotheses that will guide this article's empirical analysis regarding the role of institutional context and the content effects of voice mechanisms on firm productivity.

The role of institution and regulation on employee voice (Comparative capitalism literature and employee voice)

Employee voice mechanisms are subject to external pressures (e.g. regulatory) as well as internal pressures (related to managerial decisions) (Dundon et al, 2004). The effectiveness of a voice mechanism is linked to systemic social and economic characteristics, such as the governance arrangements adopted (Hyman, 2004). Research on institutional differences between countries has been driven by Hall and Soskice's (2001) framework of varieties of capitalism focused on the most developed economies. The literature on comparative capitalisms (Jackson and Deeg, 2008) distinguishes among the ways in which capitalism works in different contexts and offers key insights to justify the actions of firms in different national contexts. In this regards, Hall and Soskice (2001)

distinguished between liberal market economies (LMEs) that are considered as *shareholder-oriented market economy (the UK)*, and collaborative market economies (CMEs) as *stakeholder-oriented or cooperative ones (Austria)*, representing, two ideal types into which the countries collocate. In LMEs the focus is on achieving immediate competitive advantage where markets play a significant role and shareholders have greater rights than other stakeholders (Dore, 2000). In liberal market economies, firms' activities tend to be coordinated through hierarchy, where formal bargaining is dominant as well as impersonal exchanges of goods and services (Williamson, 1985). Within LMEs, "firms rely more heavily on market relations to resolve the coordination problems that firms in CMEs address more often via forms of non-market coordination that entail collaboration and strategic interaction" (Hall and Soskice, 2001, pg. 27). Considering CMEs, in these economies there is a greater tendency for firms to develop relational contracts with less shareholder influence, building on collaborative rather than competitive interactions (Hall and Soskice, 2001). CMEs are less dependent on stock market funding, where investors are more tolerant (Hall and Soskice, 2001). In summary, in LMEs, firm behaviour is subject to competitive market conditions, competitive market relationships and high capital movements (Hall and Soskice, 2001). In contrast, in CMEs, equilibrium is found through the development of strategic interactions and the presence of institutions that foster their development (Hall and Soskice, 2001).

Focusing on voice mechanisms, the literature supports the idea that the degree of participation varies from country to country (see, for example, Szabo, 2006), consistent with the varieties of capitalism identified. For example, Brewster et al. (2007), in their longitudinal analysis, compared three country that are different in term of "variety of capitalism" (Hall and Soskice, 2001), such as Great Britain, Germany and Sweden (Great Britain is an example of a liberal market economy, while both Germany and Sweden have more collaborative systems (Hopner, 2005)), identified that collective voice retains a relevant role in cooperative economies (Brewster et al., 2007). In contrast, in LMEs they have found that there is a greater emphasis on the individual with a focus on immediate financial returns. Other differences are related to the degree of interdependence between employer and employee and delegation achieved to a greater extent by employees in CMEs (Whitley, 1999). This leads to greater employee retention and the development of trust and commitment that results in greater participation and involvement within the

company and better performance. Thus, it is the direct voice mechanisms that appear most relevant in LMEs while the indirect voice ones in CMEs. Moreover, in their works, Brewster et al. (2015) argue for the existence of these capitalisms by analyzing the impact of unions and context on reward systems. In other words, collective voice (work councils) is not homogeneous in all European countries and their development is influenced by the strong industrial relations tradition of several European countries (Brewster et al., 2019). In this regard, it is possible to assume that the role of trade union can vary depending on the national context and that their presence or absence may affect employment relations (Dundon and Rollinson, 2004). Further developments of theories of comparative capitalism involve mixed market economy (MME), where Italy is part of this category. This model is considered a hybrid category between LME and CME models (Hancke et al., 2007). In fact, in Mediterranean countries such as Italy, workers' rights in collective and individual terms are weak (Psychogios and Wood, 2010). However, they are greater than in liberal market economy (in the United Kingdom) especially considering the larger firms where indirect forms of voice seem to be more effective. In sum, MME larger firms are generally closer to the CME model (Brewster et al., 2015), while in SMEs representation and collective rights are weaker. Hence, we formally hypothesize the following:

***HP1:** Direct employee voice has a stronger positive effect on firm productivity in the UK compared to Italy and Austria.*

***HP2:** Indirect employee voice has a stronger positive effect on firm productivity in Italy and Austria compared to the UK.*

The content of employee voice and firm productivity

The content and the motive of voice are factors to be considered in the analysis of employee voice practices (Mowbray et al., 2015). According to Dundon et al. (2004) the purpose of voice is to reduce employee dissatisfaction and capture employee contributions in order to achieve greater performance. Voice is also rather wide in terms

of content: the message expressed can range from organizational issues or problems (Milliken et al., 2003), to capture ideas for firm improvement (Van Dyne and LePine, 1998). The literature identified three types of voice as expressions of the varied nature of the message conveyed: suggestion-focused voice, problem-focused voice, and opinion-focused voice. The first one is conceptualized as “the communication of suggestions or ideas for how to improve the work unit or organization” (Morrison, 2011, p.398), problem-focused voice is seen as “an employee’s expression of concern about work practices, incidents, or behaviors that he or she regards as harmful, or potentially harmful, to the organization” (Morrison, 2011, p.398) and the last one “reflects communicating points of view on work-related issues that differ from those held by others” (Morrison, 2011, p.398). Another distinction is between promotive and prohibitive voice (Morrison, 2014), the first is more future-oriented while the second is past and present-oriented (Liang et al., 2012). The promotional and prohibitive voices express two different vocal messages that can be, in the first case, about new ideas to improve, for example, work processes or productivity, while in the second case, discussions of problems that may be detrimental to the organization (Morrison, 2014).

The motivations behind the OB and HRM/IR literature can be similar (as discussed in the Chapter 2 of this thesis), on the one hand they are about reducing employee dissatisfaction and on the other hand they are concerned improving performance (Mowbray et al., 2015). Specifically, characteristics of voice content can affect how an employee gives weight to the risks and benefits of speaking up, affecting the employee's decision to express their ideas. In general, employees are incentivized to raise their voice if they perceive that their opinions are considered and can make a difference (Milliken et al., 2003). According to Milliken et al. (2003), workers are more likely to express their ideas concerning to issues about work processes, rather than criticism or concerns. It was also found that the choice of voice type can also be driven by the issue being addressed. For example, direct voice is used mainly to respond to individual needs (i.e, working hours or training programme) while the indirect voice for collective ones (Edwards, 1979) (i.e, payment schemes, efficiency of work processes).The basis of this distinction is the message content that is reflected in the voice usage. For example, employees may tend to express their ideas indirectly rather than directly if they are referring to changes or new issues, if they fear negative reactions from employer, dealing with uncomfortable topics

(Mowbray et al., 2015). When employees talk about how to increase the efficiency of organizational processes, they tend to be under pressure because the manager's expectation might be high, thus generating more stress in the employee (Ng and Feldman, 2012). In this sense, workers prefer to delegate such issues to representatives. Moreover, in cases where unions are involved as mediators in decisions about layoffs or promotions, it is likely that performance will improve (Doucouliagos and Laroche, 2009). Employees, perceiving greater fairness in their treatment, may change their view of the manager, becoming more motivated, collaborative in creating a positive impact (Doucouliagos and Laroche, 2009).

Overall, the content of voice can include issues that potentially benefit or affect the individual employee or organization. On one hand, an employee may voice on issues such as work hours and training, which would benefit the individual; on the other hand, the employee may make suggestions to improve a work process, which would benefit the organization (Mowbray et al., 2015, Van Dyne and LePine, 1998) in terms of process efficiency. The specific way in which the content of the voice influences the choice of the type of channel to be used could determine its effectiveness. Moreover, the effects of the content of voice can also change according to the context (Liu et al., 2017; Köllner et al., 2019).

Therefore, on the basis of what has been described in the previous paragraph about the tendency to use voice mechanisms in each country considered, we can assume that, in general, it seems that direct voice mechanisms are more effective in the UK than in other countries and, in particular, issues related to training and working time arrangements have positive effect when expressed directly rather than indirectly. Thus, we expect that the relationship is stronger in the UK than in Italy and Austria. By the same token, topics related to organization and efficiency of work processes, dismissals, and payment schemes discussed indirectly have stronger effects in Italy and Austria than in the UK.

Based on the above reasoning we may expect that:

***HP3:** Issues related to training and working time arrangements have a stronger positive relationship with firm productivity in the UK compared to Italy and Austria.*

HP4: Issues related to organization and efficiency of work processes, payment schemes and dismissals have a stronger positive relationship with firm productivity in Italy and Austria compared to the UK.

Research Methods

The data used in this study are based on the Austrian, British and Italian sample of the 4th European Company Survey (ECS, 2019). The targeted respondent of the survey was the HR managers of firms in the industrial and service sectors. The Austrian sample consists of 803 organizations, the UK one of 508 organizations and the Italian one of 1069 organization on several subjects, such as direct/indirect EV channels, firms' level of productivity, and several other management and work organization practices. These countries examined seem to fit directly into the categories considered in the study. After excluding dropping missing values, and codification procedures, our final sample had a total of 2380 observations.

Variables measurement

The description and measurement of the variables included in the study are presented in Table 5.1.

Firm productivity. Firm productivity is captured by the level of increase in the production of products and services in the organization on a scale from 1 ("it has decreased") to 3 ("it has increased") (for example, Wood and Wall, 2007; Della Torre, 2019).

Employee voice. Employee voice is measured by items expressing the direct and indirect influence of employees on management decisions in 5 areas (*the organization and efficiency of work processes, dismissals, training and skill development, working time arrangements and payment schemes*) (Mowbray et al., 2015; Köllner et al., 2019). The level of influenced is measured from 1 ("not at all") to 4 ("to a great extent"). Given the

high presence of missing values for indirect voice they have been replaced with the average values. All measurements have been standardized.

Controls. Several control variables were included in the analysis. More specifically, we checked a variety of individual and workplace features (Bryson, 2004; Pyman et al., 2006), for example the presence of managers is measured as the percentage of managers, while the number of employees is represented by the percentage increase in employees since the beginning of 2016. Concerning the frequency of usage of practices to motivate and retain employees (such as offering monetary rewards, communicating a strong mission and vision, providing meaning to our work, providing interesting and stimulating work and providing opportunities for training and development) (Gardner et al., 2007), has been considered a comprehensive measurement and then it has been standardized. The intensity of retention is measured by the level of difficulty to retain employees from 1 (“not at all difficult”) to 4 (“very difficult”) (employee voice foster high level of retention, Spencer, 1986). Furthermore, we controlled for sectoral structure of firms (dummy) and for the size (small =1, medium=2 and large=3).

Table 5.1. Variables description

Variables	Description	Measures
<i>Variabile Dipendente</i>		
Firm productivity	Since 2016, how has the amount of goods or services produced by this establishment changed?	From a 1 (“It has decreased”) to 3 (“it has increased”).
<i>Independent Variables</i>		
Employee voice		
<i>Direct voice</i>		
	Since the beginning of 2016, in your opinion, to what extent have employees directly influenced management decisions in the following areas?	
<i>DV_efficiency of work processes</i>	Efficiency of work processes	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>DV_dismissal</i>	Dismissal	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>DV_training</i>	Training	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>DV_working time arrangements</i>	Working time arrangements	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>DV_payment schemes</i>	Payment schemes	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>Indirect voice</i>		
	Since the beginning of 2016, in your opinion, to what extent has the employee representation influenced management decisions in the following areas?	
<i>IV_efficiency of work processes</i>	Efficiency of work processes	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>IV_dismissal</i>	Dismissal	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>IV_training</i>	Training	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>IV_working time arrangements</i>	Working time arrangements	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>IV_payment schemes</i>	Payment schemes	From 1 (“Not at all”) to 4 (“To a great extent”)
<i>Controls</i>		
% of increasing employees	How has the total number of employees in this establishment changed since the beginning of 2016?	From 1 (“Decreased by more than 10%”) to 5 (“Increased by more than 10%”)
%of managers	How many people that work in this establishment are managers? Your best estimate is good enough.	From 1 (“None at all”) to 7 (“All”)
Use of motivation practices	Sum of 4 variables that describe: the intensity of usage of practices (offering monetary rewards, communicating a strong mission and vision, providing meaning to our work, providing interesting and stimulating work, providing opportunities for training and development) to motivate and retain employees at this establishment.	From 1 (“never”) to 4 (“Very often”)
Retention	How difficult is it for this establishment to retain employees?	From 1 (“Not at all difficult”) to 4 (“Very difficult”)
Sector	Three sectors: Construction (ref), Production, Services	Dummy (0,1)
Size	Three dimensions: Large, medium, small	From 1 (“small”) to 3 (“large”)

Analytical procedure

Pearson's correlation analysis was conducted to test univariate relationships. Next, multiple regression analysis was employed to examine the employee voice effects on firm productivity and test hypotheses. In total, three models were calculated. In Model 1, control variables and independent variables employee voice were analyzed in Austria. In Model 2, control variables and independent variables employee voice were analyzed in UK. Finally, in Model 3, control variables and independent variables employee voice were analyzed in Italy. To reduce the risk of multicollinearity, the variance inflation factors (VIFs) of each variable were examined (maximum value 2.53 for Austria, 2,95 for UK and 2 for Italy) and all independent variables were standardized. Table 5.2 shows the descriptive statistics of the variables used in this study relative to the total sample.

Table 5.2. Descriptive Statistics

Variables	N	Mean	Std. Deviation
Production	2380	1,57	,644
% of increasing employees	2380	2,627	1,0524
%of managers	2380	5,9525	,54616
Use of motivation practices	2380	2,2506	,54050
Retention	2380	2,2055	,67394
Sector	2380	,31	,463
Retention	2380	,61	,488
Size	2380	1,51	,717
DV_ efficiency of work processes	2380	2,30	,836
DV_dismissal	2380	3,35	,838
DV_training	2380	2,45	,861
DV_working time arrangements	2380	2,73	,928
DV_payment schemes	2380	3,07	,831
IV_ efficiency of work processes	2380	2,8048	,49583
IV_dismissal	2380	3,2661	,50550
IV_training	2380	2,7869	,48367
IV_working time arrangements	2380	2,7405	,52167
IV_payment schemes	2380	3,0179	,48303

Results

Table 5.3 shows the Pearson correlation indices of the variables included in the regression model applied to the total sample. Table 5.4 presents, instead, the results of the multiple regression analysis in the three countries considered.

In terms of the main effects of EV mechanisms, in the Model 1 the analysis showed

that the positive relationship between direct voice concerning efficiency of work processes or training and firm productivity is significant ($\beta = 0.48, p < 0.05$; $\beta = 0.44, p < 0.1$). Meanwhile, the interaction between indirect voice related to dismissal is significant and negative for firm productivity ($\beta = -0.46, p < 0.1$). In the Model 2, the results show a negative relationship between direct voice linked to dismissals and firm productivity ($\beta = -0.67, p < 0.05$). Furthermore, a positive and significant relationship is between working time issues raised directly by employee and firm productivity ($\beta = 0.86, p < 0.05$). In the Model 3, only indirect voice mechanisms are significant, those related to payment schemes is significant and positive ($\beta = 0.49, p < 0.05$) while issues concerning efficiency have a negative and significant impact on firm productivity ($\beta = -0.66, p < 0.05$).

Therefore, turning to the comparison between the three countries analyzed, it emerged that in the UK direct voice is more relevant than indirect. By contrast, in Italy indirect voice is more effective than direct voice, while in Austria both channels of voice are significant. Thus, hypotheses 1 and 2 are partially supported.

Moreover, as far as the content of voice is concerned, the results vary according to the country. Issues concerning working time arrangements are more effective when discussed directly in the UK, while the matter of training is significant in Austria expressed through direct voice. In the other countries these topics are not significant. Hypothesis 3 is partially supported.

The question of the efficiency of work processes is significant both in Austria and in Italy. In Italy, it has a negative impact through indirect voice, whereas in Austria it has a positive effect through direct voice. Moreover, payment schemes issues have a stronger impact when raised indirectly only in Italy. Lastly, discussing topic related to dismissals has a negative effect both directly (in the UK) and indirectly (in Austria). Hypothesis 4 is partially supported.

Table 5.3. Correlations

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.
1. Production	1																	
2. % of increasing employees	,437**	1																
3. % of managers	,030	,026	1															
4. Use of motivation practices	,180**	,120**	,126**	1														
5. Retention	,040	,019	,045*	,137**	1													
6. Sector	,000	-,007	,108**	,093**	,011	1												
7. Retention	-,011	-,006	-,108**	-,108**	-,004	-,835**	1											
8. Size	-,038	-,080**	-,012	-,088**	,092**	,199**	-,158**	1										
9. DV_ efficiency of work processes	,114**	,090**	,103**	,315**	,067**	,080**	-,091**	,016	1									
10. DV_dismissal	,008	,025	,030	,115**	-,077**	,050*	-,048*	,042*	,263**	1								
11. DV_training	,115**	,060**	,086**	,366**	,051*	,063**	-,088**	-,066**	,512**	,231**	1							
12. DV_working time arrangements	,072**	,052*	,025	,205**	,025	,045*	-,047*	,004	,421**	,282**	,382**	1						

13. DV_payment schemes	,083**	,100**	,055**	,219**	-,040*	,031	-,013	-,014	,332**	,380**	,351**	,390**	1						
14. IV_ efficiency of work processes	,001	-,010	,099**	,131**	,037	,063**	-,058**	,011	,216**	,151**	,138**	,157**	,117**	1					
15. IV_dismissal	,015	-,011	,023	,025	-,056**	,019	-,012	,004	,168**	,320**	,122**	,123**	,208**	,303**	1				
16. IV_training	,036	-,013	,065**	,161**	,021	,066**	-,058**	,045*	,178**	,130**	,205**	,161**	,128**	,648**	,263**	1			
17. IV_working time arrangements	,029	-,002	,020	,030	,002	,030	-,019	-,013	,187**	,144**	,170**	,281**	,207**	,447**	,497**	,409**	1	,	
18. IV_payment schemes	,063**	,013	,067**	,082**	-,004	,045*	-,039	-,037	,156**	,155**	,141**	,160**	,286**	,433**	,456**	,404**	,563**	1	

** Correlation is significant at the 0.01 level (2-tailed), * Correlation is significant at the 0.05 level (2-tailed).

Table 5.4. Multiple regression analysis

	Model 1 (Austria)		Model 2 (the UK)		Model 3 (Italy)	
	β	S.E.	β	S.E.	β	S.E.
<u>Predictors</u>						
<i>% of increasing employees</i>	,233***	,020	,273***	,025	,257***	,017
<i>%of managers</i>	,005	,040	-,031	,049	,027	,035
<i>Use of motivation practices</i>	,043*	,023	,106**	,031	,095***	,019
<i>Retention</i>	,012	,031	-,026	,041	,022	,026
<i>Sector</i>						
<i>Construction</i>	Ref	Ref	Ref	Ref	Ref	Ref
<i>Production</i>	,044	,070	-,123	,114	-,139*	,083
<i>Services</i>	,058	,063	,004	,100	-,138*	,081
<i>Size</i>	-,018	,028	-,006	,040	-,021	,027
<u>Independent variable</u>						
<i>DV_ efficiency of work processes</i>	,048**	,024	-,014	,034	,007	,023
<i>DV_dismissal</i>	-,005	,022	-,067**	,032	-,014	,021
<i>DV_training</i>	,044*	,023	-,005	,035	,022	,023
<i>DV_working time arrangements</i>	-,005	,024	,086**	,033	-,013	,021
<i>DV_payment schemes</i>	-,002	,023	-,023	,032	-,018	,023
<i>IV_ efficiency of work processes</i>	-,008	,026	-,010	,037	-,066**	,027
<i>IV_dismissal</i>	-,046*	,024	,029	,032	,015	,022
<i>IV_training</i>	,024	,026	,043	,038	,026	,024
<i>IV_working time arrangements</i>	,008	,026	,010	,038	-,033	,025
<i>IV_payment schemes</i>	,037	,026	-,008	,035	,049**	,023
Number of obs	803		508		1069	
Adjusted R Square	0,175		,239		,223	

Notes: * $p < 0.1$. ** $p < 0.05$, *** $p < 0.01$

Discussion and conclusion

Main findings and theoretical implications

Employee voice is critical to the overall functioning and productivity of organizations. For this reason, our research has gone into identifying what content of employee voice arrangements can influence firm productivity in the countries analyzed. Considering the institutional context, the results of the empirical analysis show that in Austria both direct and indirect voice channels have a significant relationship with productivity, in the UK direct voice channels are more effective, on the contrary, in Italy only indirect voice channels are relevant. Although recent research on employee voice emphasizes the importance of the diverse nature of voice content (e.g., Liu et al., 2017; Köllner et al., 2019), most previous research has not taken into account the content of voice systems. Thus, this study offers a comparison of voice mechanisms based on the content expressed in different institutional contexts.

First, the results show a clear impact of European history across countries, for example the reference to “stakeholder” model rather than “shareholder” one (Brewster et al., 2019). Consistent with the varieties of capitalism approach (Hall and Soskice, 2001), in the UK direct voice mechanisms tend to be more effective compared with indirect voice. Indeed, a key element of union influence is the level of support for unions provided in national legal system: this is much stronger in Austria and in Italy (with deep traditions of industrial relations, Addison et al., 2017) than in Britain (where there has been a shift from representative to direct voice (Bryson et al., 2019)). Although, indirect involvement (trade unions, works councils, etc.) is more likely to be found in CMEs (Johnstone, 2007) our study found that also direct voice plays a significant role in CME country. The literature also suggests that direct involvement can be an element reinforcing other existing practices (Brewster et al. 2007). Direct voice and indirect voice may co-exist in some systems (optimizing productivity and organizational performance (Hubler and Jirjahn, 2003)) but not in others (where there is a tendency to use individual forms, Bryson, 2004). Despite the fact that in coordinated markets, levels of unionization are generally significant (Hall and Soskice, 2001), an emphasis is also placed on employee

involvement so that workers are really given a voice (Hall and Soskice, 2001; Amable, 2003).

Moreover, the MME country analyzed focuses only on indirect voice mechanisms. Indeed, concerning employees' individual involvement, the positive effect should be higher in Austria (CME) compared to Italy (MME), as the CME country has a more cooperative and coordinated system of interaction (Wiß, T., 2017).

In other words, in LME country considered direct employee voice is significant in order to foster performance, confirming the existing literature (for example, Brewster et al., 2007, 2015). The MME country tend to behave like the CME type of capitalism (in which is generally accepted that indirect voice has more successful). However, in this study, in the CME representative country, both direct and indirect voice are significant, also converging towards the liberal market/Anglo-Saxon model.

Second, turning to the message of voice, we would have expected that, based on the existing literature, aspects of working time arrangements and training that seemed to be expressed better through direct voice mechanisms would be more effective in the UK (where direct voice mechanisms are prevalent) than in other countries. However, in the UK it emerged that direct employee voice mechanisms are positive significant only when discussing issues related to working time arrangements. In fact, this result indicates a strong dependency of employees on the employer, typical of a liberal country, where topics related to, for example, taking hours off in the UK is directly decided with managers not through industrial relations agreements (Wiß, T., 2017). Thus, manager support incentivizes workers to contribute to achieving higher level of productivity in the UK. Overall, it is reasonable to expect issues related to working time arrangements foster greater performance when discussed directly rather than via collective bargaining and/or works councils (Richbell et al., 2011): for example, unions would be unlikely to accept overtime incentives at the collective bargaining table because it could lead to leaner staffing or even facilitate layoffs (Richbell et al., 2011).

Instead, contrary to our hypothesis, training issues emerged that are more effectively discussed directly but in Austria and not in the UK. Coordinated market economies typically rely on training and education systems to develop specific skills for workers in order to retain them within their firms (Hall and Soskice, 2001). Therefore, the significant

relationship between direct voice and training confirms the existing literature (e.g. Combs et al., 2006; Boxall, 2013). Indeed, allowing employees to have a direct influence on decisions about increasing their skills and knowledge leads to motivating them to use their knowledge developed through training to improve their level of productivity.

Moreover, the results pointed out that in Italy indirect channels of voice have an impact on firm productivity when payment schemes are debated. Broadly, it is known that the industrial relations system tends to influence wage determination, as wage patterns are collectively negotiated (Brown and Warren, 2011). In this way, workers, feeling their interests represented by unions, will be more likely to contribute positively. This is the case of Italy, in which there is a strong union presence (Jansen, G., 2014) and where collective bargaining coverage is high.

It is interesting to note that the message concerning work efficiency has a significant impact on firm productivity both through direct (in Austria) and indirect (in Italy) channels, but with a negative effect using indirect voice. Indeed, if employees are involved directly in order point out ways in which performance of work processes could be more effective, they are more motivated improving their productivity. Since the content that is conveyed through voice can be about a way to improve organizational (Van Dyne and LePine, 1998), workers are asked to directly share their views and ideas with respect to even decisions that affect their work leading to better and even longer lasting outcomes (Morrison, 2011; Kim et al., 2010). Austria seems to give more importance to this topic generating positive outcomes compared to Italy. In this line, it emerged that coordinated market economies are systems that allow workers with specific skills to collaborate and influence the company's decisions (Hall and Soskice, 2001), thus improving the work organization.

Meanwhile, issues related to dismissals (either discussed directly (in the UK) or indirectly (in Austria)) seem to discourage employees from making contributions for improvement. In fact, it is seen that there is little protection for workers against dismissal in the UK (OECD, 2019; Hall and Soskice, 2001), which leads to employees being reluctant to address the issue with managers, reducing their motivation to contribute to the success of the organization. Although the level of protection against dismissal is higher compared to the UK, negative outcomes are found in Austria. This could be related

to the fact that unionization lowers the likelihood of dismissal, so it has improved shirking and could lead to lower worker productivity (Bradley et al., 2016, p.2).

In summary, the results imply a starting point for representing institutional contexts with respect to the content of voice practices. These analyses suggest that the effects of the voice content and their direction vary according to institutional setting. The findings of our study support the hypothesis that message content is relevant in the decision to use direct or indirect mechanisms to greater performance. In relation to the characteristics of the institutional system in which one is placed, it was found that voice has more or less effective outcomes based on the content addressed. This study also provide evidence that better outcomes can be achieved through the appropriate voice mechanism adopted with respect to both content and country.

Implications for Practitioners

The study has practical implications, particularly on how voice can be managed in different institutional settings and how multinational companies and their HR departments can address diversity. In this regard, the analysis showed that there is a need for organizations to consider employee voice mechanisms as a key to achieving greater performance (e.g., Dundon et al., 2004; Kim et al., 2010; Morrison, 2011).

Involvement has emerged as a significant factor for achieving a competitive advantage but presents different results depending on the type of capitalism considered. These results provide important insights for HR managers or unionists operating in different countries. Practitioners who need to approach multinational markets can now understand which voice mechanism to rely on (whether direct or indirect), as well as how to associate a particular issue raised with the most effective voice channel according to the country concerned. The idea that voice mechanisms need to be adopted individually or jointly in order to discuss specific issues depending on whether they operate in LME, CME or MME markets is underlined.

In sum, this comparative analysis offers a greater understanding of voice in an effort to support employers and HR in designing more effective voice mechanisms that address the variety of characteristics of institutional systems.

Limitations and future research

Important avenues for future research on the capitalist variety arise primarily from the limitations of our study.

First, we used a cross-sectional dataset, so we could not perform a longitudinal comparison across years. Future EV research could analyse the evolution over the years of the relationship under consideration, capturing the main differences between EU countries and providing a more complete view of the results.

Second, we considered three countries as representative of the categories of capitalism (Austria as CME, the UK as LME, and Italy as MME). However, several subcategories were identified and developments to the model of Hall and Soskice, 2001 (see Amable's full model (2003) for example). A broader comparative analysis would allow the results to be generalized across all European countries, considering various economies (more or less developed).

Furthermore, although we have investigated the key contents of the voice mechanisms, exploring not only the presence or absence of channels but rather the intensity of the same, it might be useful to separate the small-medium companies from the large ones in which different contents could be identified. Overall, our results call for a broader comparative analysis to better understand the nature and effectiveness of employee voice.

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VI Chapter

GENERAL CONCLUSION

This thesis investigated how voice mechanisms are implemented and managed in organizations, referring to the context of SMEs and comparing various institutional and governmental arrangements. The goal of this dissertation was to improve our understanding of employee voice mechanisms, by delving specifically into the considerable diversity and disparity of approaches within the existing literatures. Our chosen approach in this regard was to explore the HRM, IR, and OB literatures about the analysis of voice processes, addressing commonly discussed issues and highlighting the main differences in the conceptualization of voice models. Furthermore, we empirically tested the role of employee voice at the organizational level, going so far as to highlight the importance of studying the national context. This approach takes the analysis of employee voice mechanisms beyond the organizational level and considers how contextual forces influence the effects of employee voice mechanisms (from the macro level to the meso level of the organization). The study also provided a deeper understanding of how the effective implementation of voice mechanisms can lead to the involvement of human capital in achieving better performance.

The final chapter details a summary of the main findings of the individual studies conducted and the insights derived from our work. We then also outline the contributions and implications that this thesis offers to the current literature related to employee voice, and finally we describe some limitations of our research and recommendations for future research.

Table 6.1 broadly highlights some key aspects of the research we conducted, namely our research questions, theoretical models, and key findings. A more detailed analysis is offered below.

Table 6.1. Overview of studies in the thesis

	Research Question	Findings	Implications
Chapter 3	<i>What is the relationship between direct and indirect and firm innovation in SMEs?</i>	<ul style="list-style-type: none"> the study shows that while direct EV has a positive impact on SMEs' innovation, indirect voice does not. direct and indirect EV interact positively in relation to firm innovation, but this only happens in medium sized firms. 	<ul style="list-style-type: none"> direct voice mechanisms are effective in terms of firm innovation even in contexts characterized by high levels of informality in employment relationships medium sized firms are more able to exploit the complementarities between voice mechanisms compared to smaller firms.
Chapter 4	<i>How does the relationship between EV and organizational productivity vary according to the level of HC?</i>	<ul style="list-style-type: none"> employee voice mechanisms and the levels of human capital are positively and significantly related with company results. 	<ul style="list-style-type: none"> the study offers new insights related to the existence of a complementary relationship between the involvement of employees in corporate decisions and the development of practices aimed at increasing human capital. EV mechanisms allow knowledge transfer and motivation when human capital is high.

		<ul style="list-style-type: none"> the analysis shows that better organizational performance occurs in companies that combining high levels of employee voice with a workforce characterized by high human capital. However, the relationship is significant but weaker even when the level of HC is low. 	
Chapter 5	<p><i>How does the relationship between EV and firm productivity vary across types of capitalism? what are the contents of different EV mechanisms that are important for their effectiveness?</i></p>	<ul style="list-style-type: none"> LME focuses on DV mechanisms (expressing issues linked to working time arrangement with positive results and dismissals with negative results) CME focuses on both DV and IV mechanisms (expressing issues linked to training and efficiency of work processes directly, and indirectly with negative results matters concerning dismissals) 	<ul style="list-style-type: none"> this study allows the differences between EV architecture in EU countries to be understood this research emphasizes the importance of the diverse nature of voice content in each types of capitalism

		<ul style="list-style-type: none">• MME focuses on IV mechanisms (expressing issues linked to payment schemes)	
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Findings and Theoretical Implications

Organizations are always looking for good ideas to gain a competitive advantage. By adopting voice mechanisms, it is possible to achieve such results. After summarizing the various lines of research in EV (HRM, IR, and OB), this thesis primarily offers three theoretical implications that go to contribute to and strengthen EV literature.

Employee voice mechanisms in the context of small and medium sized firms

The first theoretical implication of the thesis addresses the role and the relationship between voice mechanisms and the propensity to innovate in the context of small to medium-sized enterprises. To do so, we used a microdata of 18,680 small and medium-sized establishments from the 3rd European company survey (ECS, 2013). We identified significant effects of direct employee voice practices in the implementation of firm innovation. However, we found no significant evidence for indirect EV. Furthermore, to understand the extent to which both direct and indirect EV are embedded within organizations, we examined a two-way interaction effect of the direct and indirect voice. Our analysis revealed that the outcomes of joint use of direct and indirect voice mechanisms are positive only in medium-sized firms. Firstly, the study reveals that regardless of firm size, involving employees directly was found to be a successful practice in order to capture innovative ideas (Budd et al., 2010; Sheehan, 2014; Sameer and Özbilgin, 2014). As result of direct voice mechanisms, issues can be raised other than those strictly linked to personal roles and duties, and there is greater opportunity to interact with managers (Holland et al., 2017), while employee motivation is also increased. Secondly, the analysis suggests that the influence of indirect EV on SMEs' propensity for innovation depends on the presence of direct EV mechanisms. Lastly, our results show that the effects of employee voice on a firm's inclination to innovate could be related to the size of the organization. Only in medium firms does the coexistence of both direct and indirect EV on firms' innovation suggest that the indirect voice has a relevant effect when direct voice is considered (Kim *et al.*, 2010), abandoning the vision of the union only as the bearer of workers' interests, but seeing as supporting the encouragement

of innovative ideas. The dimensional effect is evident: small enterprises have fewer available resources and tend to use less professional HRM practices than larger ones (De Kok et al., 2006). Moreover, in such small contexts, direct voice mechanisms are weaker, and trade unions are mostly non-existent (Illesy et al., 2007). Therefore, medium-sized companies appear to be more inclined to include and involve employees directly and indirectly in the development and creation of workplace innovation. Thus, the achievement of higher innovation is closely linked to the size of the company and the ability to exploit the potential of the two forms of employee voice correctly. Focusing on small and medium-sized firms separately offers interesting insights for research given the different inherent characteristics of these firms. The differential management of employee voice and the differences in voice architecture within the SME context allow significant results in terms of innovation.

The role of human capital in the relationship between employee voice and organizational performance

The second major theoretical implication of the thesis addresses the link between employee voice and organizational performance, exploring the moderating effect of human capital. From the analysis of the data of 168 Italian companies collected through the Cranet questionnaire, positive effects of voice mechanisms are identified. The previous researches assume that the proper use of voice mechanisms to capture worker input leads to positive performance results (Pyman et al., 2006; McCloskey and McDonnell, 2018; Wohlgemuth et al., 2019). The greater the perception that workers have of their ability to voice their ideas, the more likely they are to contribute to the success of the organization. Furthermore, this thesis shows that the effectiveness of employee voice within an organization can be influenced by its level of human capital. Thus, the study demonstrates that human capital has a positive link with performance (confirming the existing literature, for example Crook et al., 2011) and can strengthen voice practices. In the presence of human capital, the relationship between voice is significant but stronger when human capital is high. We explain this through the potential contribution that can be generated in the presence of human capital. In other

words, the use of voice mechanisms facilitates knowledge transfer (Ma et al., 2019), especially when human capital is high. On the other hand, involving of workers increases their level of motivation in actively participating in decision-making processes by making their skills and abilities available to the company. Therefore, in order to achieve competitive advantage, it is essential that the organization is able to refer to practices and voice articulations that facilitate the development and use of workers' knowledge (Jiang et al., 2012). The results also highlight that the effects of employee voice in achieving better performance are strongly correlated with the contribution of a highly skilled and motivated workforce. More specifically, achieving competitive advantage is not only generated by employees' skills but it is also related to the firm's ability to involve workers adequately, encouraging them to make their knowledge available to the organization.

Differences in the content of voice in European countries

The third major theoretical implication of the thesis explains what issues are addressed through direct and indirect voice mechanisms. It also explores the articulation of voice through a comparative analysis between three European countries. Using the variety model of capitalism as the theoretical support which identifies different market economies, we investigated data from Austria (as an example of a Coordinated market economy), the UK (as an example of Liberal market economy), and Italy (as an example of a Mixed market economy). Existing studies have found that LMEs tend to refer mostly to direct forms of voice, and conversely in CMEs to indirect forms (Brewster et al., 2007, 2015). This thesis has identified that, consistent with the existing literature, involvement without any form of mediation appears to be prevalent in the LME we have considered as a model (the UK). However, our study also showed that in the CME (in Austria) both direct and indirect forms of voice are significant. Furthermore, Italy seems to be closer to the CME than the LME model.

Meanwhile, in the paper, we point out that there is a link between the issues being addressed and the voice mechanisms being used. The voice content is related to issues of

organizational process efficiency, dismissal, training, payment and time management in each country. Specifically, it emerged that the topics raised and discussed vary according to the type of capitalism considered. First, we discovered that in the LME country (the UK) direct voice mechanisms appear to be most effective when engaging workers on issues related to time management, while when addressing layoff matters, direct voice seems ineffective. Second, in the CME country (Austria) training and development and efficiency of work processes are discussed directly generating positive results, while tackling aspects related to dismissals has negative results in terms of firm productivity. Lastly, in Italy (the MME country) involving workers indirectly through forms of mediation, encourages discussion of payment issues with positive effects. In the article, we explain how these results can be attributed to the European historical context, to the specific characteristic of the market economy in what is embedded and to workers' specific needs

The purpose of this study was to understand what the voice behavior of organizations was in various national contexts. As discussed in the chapter, different types of voice mechanisms are associated with each type of content addressed in each country. In this way, we sought to contribute to the IR and HRM literature related to the topic of employee voice.

Implications for Practitioners

The results of this thesis reveal several practical implications, particularly on how organizations can manage employee voice. Specifically, this study provides clear evidence that the mechanisms of voice (direct voice, or jointly direct and indirect voice) influence SMEs' tendency towards innovation. This finding helps HR professionals in smaller firms to better understand the importance of the exchange of information and ideas between employees and managers and to adopt the appropriate EV mechanisms in their SMEs. In this regard, our analysis suggests that managers of SMEs should always encourage the use of direct voice as it stimulates a firm's inclination to innovate. In addition, as it is evident that the indirect voice is not essential for SMEs' propensity to innovation, it is recommended indirect EV should be incorporated with direct voice. This suggestion is consistent to

McDonnell's et al., (2014) finding that workers may see the adoption of multiple voice channels more favourable than any specific mechanism. Moreover, the study advances some practical implications about the difference of voice mechanisms in small- and medium-sized firms separately. It suggests that, as it occurs with more impact in medium sized firm, small sized firms should reinforce the direct involvement of employees in order to increase their level of innovation. This comparison offers a clearer vision of how to effectively manage human resources in small or in medium firms. It was found that the phenomenon of collective representation is less relevant in this context as relationships are mostly individualistic (Foster and Farr, 2016) and informal (especially in smaller firms, Storey, 2010). Medium firms derive higher benefits than small firms in combining and balancing EV mechanisms (direct and indirect voice jointly).

In addition, the comparative analysis of the voice mechanisms across different country contexts provides managers with insights into which mechanisms to refer to, encouraging them to use the most appropriate channels for their country. This is particularly relevant when managers work within multinationals, and knowing which channels are most effective enables them to better manage human capital resources within the organization.

In addition, focusing on human capital involvement may also strengthen firms' competitiveness (Campbell et al., 2012). In fact, "voice is genuine when employees' concerns are taken seriously and their input influences outcomes" (Foster and Farr, 2016:45). From this inference, managers can understand how to maximize the value of their human capital investments by prioritizing the involvement of the organization's existing human resources to develop participatory resources for success.

Limitations

Although several contributions have been outlined, there are some limitations to this thesis. The limitations related to each individual study are discussed in chapters (from 2 to 4), while we here present the limitations in general.

The survey-based quantitative study method was chosen as the best to explore the various facets of employee voice systems and related outcomes. This approach has proven adequate in identifying how voice mechanisms are articulated in various contexts (of SMEs and institutional settings) and offering insights into how the relationship between voice and performance varies according to the level of human capital. However, some limitations have been found.

Firstly, the cross-sectional nature of the investigation of the three surveys conducted limits causal inferences. The findings identified in the chapters should be replicated following a longitudinal design. A longitudinal study examining these issues would allow for the identification of changes and the evolution of voice mechanisms in the various contexts analyzed and in organizational outcomes.

Secondly, another limitation is in the conceptualization of the voice measures. In Chapters 3 and 4, the studies conducted did not analyze the content of the voice mechanisms (related to changes, complaints, etc.) or the frequency of use of the channels (in the case of Chapter 3). Moreover, in Chapter 4, we did not differentiate between direct and indirect voice mechanisms but considered a single index. In this way, we departed from studies that considered only one index (e.g., Della Torre et al., 2020) or analyzed them separately (Zhou et al., 2019). Conversely the Chapter 5 attempted to overcome this problem by identifying measures of voice that could capture the intensity with which workers are directly or indirectly involved. In addition, the content of the message conveyed through these channels was also analyzed.

Thirdly, we cannot use our sample of European small and medium-sized firms to generalize confidently. The companies surveyed may not be representative of all small and medium-sized enterprises because we only collected data related to Europe. However, as can be seen from Chapter 5, firms at the European level are subject to different historical and institutional factors that make them extremely heterogeneous (Brewster et al., 2019). Thus, we believe that this sample is not a reflection of the voice attitude of all small and medium-sized businesses around the world. Moreover, for the same reasons, the results obtained in Chapter 4 may be referable only to the Italian context. Further investigation is necessary even after conducting the comparative analysis (in Chapter 5) since only the main categories of

companies were considered as representative.

Lastly, the complex combination of voice mechanisms, its human capital, and its implications at the organizational level – make these aspects, considered in a correlated way, essential to the development of an effective HRM policy. In order to explore this relationship, we considered human capital in our data as conceptualized by Subramaniam and Youndt (2005) without distinguishing between generic and specific human capital (Becker, 1964).

Therefore, despite the limitations identified in this thesis, the research makes significant contributions in order to strengthen the findings within EV research. Some future research directions have been identified and will be discussed in the next section.

Future research

The concept of EV has evolved significantly over the last decades, from a narrow conception strictly related to Freeman and Medoff's union voice to broader definitions, multiple disciplinary perspectives (mainly HRM, IR and OB), greater recognition of EV mechanisms (such as individual and collective forms) and emerging concepts that enrich the meanings of EV (such as employee silence and whistleblowing). Kalfa and Budd (2020) discussed this evolving trend in how EV is conceived by the existing literature arguing that “there is a strong future for richer and broader conceptualizations and forms of employee voice” and that “ironically, this breadth and depth of contemporary research on employee voice makes it more challenging to lay out its future” (p. 566). While the results of this thesis help enrich the understanding of the concept and the effects of EV and an integration of different approaches (HRM, OB and IR perspective) could provide a broad overview of outcomes related to the use of voice systems (Wilkinson and Fay, 2011; Kaufman; 2015; Barry and Wilkinson, 2016), further investigation is required. In the existing literature the lack of integration of HRM, OB and IR vision “impedes progress toward comprehensive

understanding of employee voice and appreciation of its different purposes, dimensions and manifestations” (Wilkinson et al., 2020, pg.1).

Moreover, according to Mc Donnell et al., (2014), the presence of multiple voice channels allows employees to be more involved in the decision-making process. To understand the extent to which both direct and indirect representative voice embedded within the organization, Marchington, (2005) suggested that is fundamental to examine the interaction effects of both mechanisms. Consistent with this, in the study conducted in Chapter 3 analyzing the interaction factor, we were unable to measure the level of intensity of the effects at the organizational level. However, to date, few studies have investigated the interaction effects of direct and indirect EV to predict organizational outcomes (e.g. for employee commitment and satisfaction see: Purcell and Georgiadis, (2006); for labour productivity see: Kim et al., (2010)), finding positive results through the use of multiple channels (e.g. Bryson 2004; Pyman *et al.*, 2006). Moreover, a distinction between formal and informal dimensions of EV mechanisms could help to better explain the role of EV in SMEs where the coexistence of formal and informal mechanisms seems now evident.

There is also an opportunity to include the influence of organizational culture on employee voice mechanisms, given that Chapter 5 of this thesis was based on the main representative categories classifying European countries. In order to better generalize the results, it could be useful to compared more European countries, including also some in poorer economies. Another important finding of this thesis is that there is an interaction between the mechanisms of voice, human capital, and organizational performance. It is recognized that the effects of adopting voice channels may be different depending on whether we are in the presence of more or less human capital. A possible continuation of this research could be to investigate this relationship, not only by distinguishing between direct and indirect voice mechanisms, but by investigating how this relationship varies according to the two components of human capital analyzed. In summary, this research could be the starting point that allows HRM, IR, and OB studies to contribute additional theoretical and empirical findings.

Additional research agenda

In addition to some research directions that emerge from our studies, there are additional areas of research worthy of attention. In this section, we present some ideas for possible research focusing not only on more traditional voice processes, but also on emerging forms.

Recent trends in work organization suggest that the new channels related to digital technologies deserve much more attention by EV literature (Holland *et al.*, 2016). For example, within organizations, employees have the opportunity to use social media to express their ideas, opinions and concerns in an effort to interact with managers or colleagues (Martin, Parry, Flowers, 2015). The use of social media has been applied in different areas, including the Human Resource field where it is considered a form of voice. The “digital voice” represents the most unexplored form of voice. Although digitization processes are widespread and voice has been analyzed in depth, there are still few studies combining digital aspects and voice to explain companies’ results. More specifically, the scale of the current debate is such that a large number of extensive studies are required in order to investigate and understand how these new technologies can facilitate employee participation and involvement. For example, within organizations, employees have the opportunity to use social media to express their ideas, opinions and concerns in an effort to interact with managers or colleagues (Martin, Parry, Flowers, 2015). By allowing employees ever greater access to online tools, there is also a greater propensity to participate, and they also could “enhance the reach, speed, and interaction among employees, and between employees and management” (Estell and Davidson, 2019 pg.2387). According to this idea, it has emerged that “social media represented a great opportunity for organizations to create a sense of community among employees” (Parry and Solidoro, 2013, pg. 126). Only a few studies have been carried out to understand how technology impacts on employee voice mechanisms. Holland *et al.*, (2016) in their study analyzed how the use of social media can be a real voice tool. Importantly, as noted by Holland *et al.* (2016), whereas traditional voice channels are one-way or two-way and hierarchical, social media voice is ‘inherently multidirectional’, has the potential to flatten the organization, and goes beyond management control. Although

these new channels are thought to mainly encourage employees to use direct dialogue with managers without representation (Martin *et al.*, 2015), it has been argued that they may also facilitate indirect forms of EV, making easier employees' organization and the creation of a collective identity easier (Wood, 2015; Kalfa and Budd, 2020), and strengthening employee voice during unions' industrial campaigns (Thorntwaite *et al.*, 2020). Another form that should be integrated is enterprise social network, which like common social media, offers wide opportunities for employees to express their voice (Dromey, 2016). In particular, this form of social media plays exactly the same role as common social media such as Facebook and Twitter, but it is limited to within the organization.

Social media is a resource that until now has not been widely adopted, as the importance of being able to make an immediate analysis of problems in the workplace has not yet been universally recognized (Holland *et al.*, 2016). In fact, the importance of using technological systems in the organization has still not been fully perceived. The use of social media could also appear as "a bomb waiting to explode with devastating impact on the firm's reputation" (Miles and Mangold, 2014, pg. 410). Hence, it is essential that these forms of voice are properly managed and guided by organizations to gain the strategic advantage they provide (Miles and Mangold, 2014). In line with this reasoning, employee voice has long been proclaimed as beneficial to reputation building and competitive advantage (Kesting *et al.*, 2016). Despite this potential impact, to date only a few studies have addressed social media (or digital) voice empirically (e.g., Martin *et al.*, 2015; Holland *et al.*, 2016; Conway *et al.*, 2019; Ellmer and Reichel, 2021). Moreover, the COVID-19 pandemic has dramatically accelerated the pace of workplace digitalization, with most employees worldwide now working remotely at least a few days per week and using digital channels as the only way to communicate with their managers and peers. Given, the scale of this development we need a large number of extensive studies in order to investigate and understand how new technologies affect employee participation and involvement and, therefore, our traditional understanding and conceptualization of EV.

Conclusion

This thesis provides important evidence for the existing literature on what is the architecture of employee voice in organizations. Researchers have focused their attention on a wide range of aspects connected with the phenomenon, including the evolution of its meaning, determinants, consequences, and trends of the different forms it can assume, its relationship with individual and organizational outcomes and the role of the institutional and organizational context in shaping voice systems and in influencing their effects in different European countries. This dissertation shows, in fact, that the employee voice mechanisms are not merely limited to trade union representation as originally thought: the use of voice mechanisms is not only aimed at achieving benefits in terms of performance but also represents a form of approach and involvement with the worker (Wilkinson and Fay, 2011). Furthermore, providing a plurality of channels, which are better adapted to workers' needs, and putting them at their ease, can generate significant benefits. There are several practices that can fill employees' desire to express their voice (Bryson et al., 2006). The findings offer indications on how the size of the firm can influence the way voice is managed by managers and the organization, pinpointing the different management of voice between small and medium-sized firms. It has also been demonstrated how the national European context in which companies are embedded, resulting from historical and economic influences, leads to the use of specific forms of voice. The configuration and exposure of these mechanisms has an important influence on how certain content or specific messages are conveyed. The thesis also makes an important contribution to the voice literature by demonstrating how in the presence of high or low human capital there are significant outcomes of voice practices. This study on employee voice is intended to encourage researchers to advance the voice literature by emphasizing various conceptualizations of voice, the factors influencing it, and the possible outcomes.

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