

Journal of Participation and Employee Ownership (JPEO) in the changing world of participative work practices and pay

Work practices and modes of pay have changed in recent decades. The combination of an increasingly educated work force, new information and communication technologies, the influx of AI and big data into business practices from production and sales to human resources, the increased importance of teamwork and the growth of non-standard work arrangements which blur the distinction between labor contracts and sales contracts, has combined with globalization of production to create a wide diversity in the way firms, workers, unions and governments interact within organizations and in the broader labor market.

Firms, unions, governments and workers have responded to the changing economic and technological world. Firms experiment with new and innovative management practices aimed at promoting employee participation in decision making in the workplace and sometimes at the top corporate level; and with innovative compensation systems ranging from employee ownership to profit sharing and various team-incentive pay. Unions seek new ways to represent workers and advance their well-being, battling with governments or firms in some countries that have become increasingly hostile to worker organizations. Government law-makers and regulators try to modernize laws and regulations and their implementation.

Research on participative work practices and pay has expanded beyond the models of labor-managed firms that inspired early researchers in their work. There is a large growing literature on the “high-performance work system” or “high-involvement work system” that emphasizes employee involvement through self-directed teams and shared capitalist modes of pay with group incentive pay such as employee stock ownership, profit sharing, gainsharing and broad-based stock option. There is also a growing body of research on “gig economy” labor practices in advanced economies and continued informal work in developing countries. The huge multinationals that operate in many countries and their supply chains provide a wide range of experience from which to learn what leads firms to choose among practices and what works or does not work in different settings.

The tools that economists and other social scientists apply to study employee participation and ownership have widened with methodological improvements in econometrics, behavioral economics, statistical analysis of observational data, lab and field experiments, and institutional and qualitative analysis. The field has become more diverse geographically as well, particularly with the rise of the East Asian economies of Japan, South Korea, and China and will almost certainly widen as Africa’s share of the world’s working population increases in the next several decades. With the globalization of scientific research, the number of specialist journals has increased greatly, both in English and in other languages. With increased interest in what workers do as more active participants in workplace practices and decisions, the growing number of scholars and practitioners researching participatory work practices around the globe can benefit from a new specialist journal that focuses on these issues across the world.

The *JPEO* is designed to be that rigorous peer-reviewed global journal. It is designed for scholars with diverse backgrounds who work in the broad area of employee participation and employee ownership and for practitioners who seek to know what the best scientific studies show about ownership and participation. Its goal is to become the leading forum not only for traditional research in employee participation and industrial democracy but also for



innovative and informative research by scholars and practitioners working on new participatory management practices around the world.

The birth of the newbie journal would not have happened without the support and encouragement by organizations and individuals (many of whom are serving on the Editorial Board). *JPEO* is endorsed by the Rutgers Institute for the Study of Employee Ownership and Profit Sharing and the International Association for the Economic of Participation. In addition, the Beyster Foundation for Enterprise Development created the annual award program for excellence in research published in the Journal. The purpose of the award program is to identify innovative research in the broad area of employee participation and shared capitalism by emerging scholars in the field, including all early career researchers as well as late career scholars who are new entrants to the field.

We are pleased to introduce the *JPEO* which will serve as the flagship journal for the new and expanding field of employee participation, shared capitalism and employee ownership. This inaugural issue begins with an authoritative review of the literature by Derek Jones. Jones uses a citation analysis and provides intriguing evidence on the growing importance of new research by scholars outside of the original field of employee participation and industrial democracy. To complement Jones' quantitative review of the literature, Joseph Blasi, Douglas Kruse and Richard Freeman review the historical background for shared capitalism – employee ownership and profit sharing in the USA, describe the development of policy, and discuss new policy options. In so doing, Blasi, Kruse and Freeman successfully transfer academic research findings to the public policy sphere and inform policymakers. Kato and Kauhanen construct the first longitudinal data from multiple data sources in Finland which provide detailed information on various attributes of performance pay including both group incentive and individual incentive pay. Taking advantage of within-firm variations in the details of performance pay, Kato and Kauhanen provide novel estimates on the productivity effect of various attributes of performance pay and show that not all performance pay is created equal and that the details matter. Richard Freeman concludes the inaugural issue with a provocative and futuristic essay on the rise of AI robot-driven automation, its implication for the concentration of wealth and income, and policy responses. To spread the benefits of AI robot-driven automation widely, Freeman proposes an ownership solution – firm-level policies to raise workers' stake in their firms (employee ownership, profit sharing and gainsharing) combined with economy-wide policies (collective investment through pension funds, individual investment in mutual funds and development of Sovereign Wealth Funds) to enhance workers' stake in the economy as a whole.

Richard B. Freeman and Takao Kato