Employee Ownership, Democratic Control, and Working-Class Empowerment

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CHAPTER 5

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Introduction

Organizational scholars and workplace equality advocates have largely dismissed the ability of democratic employee ownership to deliver power and autonomy to working-class employees.[1] This chapter addresses this gap by investigating how two 100% employee-owned and democratically governed worker-owned cooperatives (businesses where employees are both the owners and the directors of their workplaces) succeeded and failed to give working-class people control over their workplaces. This study addresses the ability of democratic employee ownership to create working-class empowerment, to extend power and autonomy within a context of the necessary economic enfranchisement to enjoy it. The chapter reveals that democratic employee ownership *can* create working-class empowerment, but it requires formal and nonhierarchical organizational structures supported by organizational narratives that recognize the legitimate and intersecting importance of both race/ethnicity and gender with class in the workplace.

Shared capitalism's goal of aligning worker and owner interests, in industries ranging from elite high-tech companies to blue-collar manufacturing and service organizations, has tended to focus exclusively on *wealth* despite the urging from some quarters to focus equally on worker power and autonomy issues in developing "ownership culture" (Rosen, Case, and Staubus 2005). Prior to the 1950s, worker *control* was just as important to labor and other social movements as increased *wages* (Polletta 2002). Most shared capitalist firms, however, ignore this history and reproduce the typical workplace stratification of power: managers have it, and nonmanagers do not. While worker cooperatives—a small subset of employee ownership (EO) companies—offer their employees far more equitable distributions of power and autonomy as well as wealth, they have historically been unable to recruit and/or retain working-class employees. The reasons are varied (including an inability to compete in the market leading to substandard wages, a rejection of new members by founders leading to a two-tiered system more like a limited partnership, and cultural differences among classes that affect how power is shared), but this has largely rendered worker cooperatives incapable of extending their empowerment benefits to the working class. Thus, worker cooperatives, like other forms of EO, have seemed unfeasible sites from which to advance working-class empowerment.

This chapter demonstrates, however, the potential of worker cooperatives for greater working-class enfranchisement by analyzing the experience of two successful and stable companies doing business for over a quarter century. More specifically, this chapter reveals that empowerment is not only a matter of increasing the proportion of working-class employees, more equitably distributing profits across positions or levels within the firm, or even having a more explicit class mission. Both the industrial-scale organic bakery and the natural foods supermarket worker cooperatives on which this study focuses had a majority of working-class employees performing working-class jobs, and both developed egalitarian profit-sharing across differences of skill, responsibility, and tenure. Yet the bakery's managerial control combined with its organizational narratives about race, class, and gender stratified rewards, while the grocery's worker control and its organizational narratives distributed these rewards far more broadly. This chapter outlines how the interaction of each company's (1) direction of power (horizontal or vertical); (2) degree of organizational formality (the use of standardized and usually written documents to effect processes, procedures, and policies); and (3) organizational narratives, or internal discursive constructions about its workers, significantly shaped how power and autonomy were distributed within class and across race/ethnicity and gender, resulting in profoundly different degrees of working-class inclusion.

The analysis presented in this chapter draws upon and expands the work of Joan Acker, who has argued that all organizations have *inequality regimes*—"loosely interrelated practices, processes, actions, and meanings that result in and maintain class, gender, and racial inequalities within particular organizations"(Acker 2006b:443)—that vary in intensity. She theorized that *hierarchy* bolsters workplace inequality by assigning more value (and resulting wealth, power, and autonomy) to some skills than others, regardless of companies' need for all levels of skills. Further, workplace hierarchies obscure the larger social processes that unequally develop or allow recognition of such skills across class, race/ethnicity, and gender. The findings presented here support her theory, revealing that social inequalities are increased or minimized by the degree to which control is organized vertically or horizontally, and the findings further illuminate the effect of *formal rules and procedures* on the direction of power. As an earlier generation of scholars of democratic and social justice organizations have argued, the degree to which power is formalized through explicit rules about who can use it, and how, affects the organization's ability to disrupt pre-existing class (Freeman 1970, 1984; Mansbridge 1980), ethnoracial (Mansbridge 1980; Sirianni 1993), and gender inequalities (Kleinman 1996). In those earlier studies as in this one, informal power is found to be too easily appropriated by those whose classed, raced, and/or gendered cultural capital—in the form of research and writing abilities, public speaking skills, or simply confidence—trumps that of subordinated others. Yet formality *in itself* does not create greater equality: this research indicates that, when paired with hierarchy, formality can create further disparities of power and autonomy. Only when formality institutionalizes democratic and broadly distributed power does it positively affect working-class empowerment.

Yet organizational structure cannot be viewed in isolation. Organizational narratives are critical to an understanding of working-class empowerment in light of demographic changes: the American working class is increasingly composed of men and women of color and white women (Bettie 1995), despite entrenched and hegemonic beliefs about the whiteness and maleness of "the working class" (Rose 1997). I extend Acker's theory by examining organizational narratives about ethnicity/race, class, and gender, rather than focusing only on organizational demographics. That is, rather than assuming that gender, race, or class have an inherent meaning across time and space, I focus on the ways in which they become salient in the workplace. This research shows that organizational narratives legitimate and naturalize different firm-level structures of power in similar demographic settings. Narrower organizational conceptions of workers support hierarchical managerial control and make it seem inevitable, which concentrates power in the historically dominant white male sector of the working class. More expansive narratives demand a broader distribution of worker control across mixed-gender and mixed race/ethnicity working-class organizational populations, and make such distributions appear necessary to achieve both democratic and economic organizational goals.

In the sections that follow, I outline histories of workplace attempts to deliver economic and social empowerment across class, and I describe my methods and the backgrounds of the two cases compared in this study, "People's Daily Bread Bakery" and "One World Natural

Grocery."[2] I examine the class effects of differences in organizational structure and the way formality interacts with both managerial and worker control in these two bureaucracies. I then describe the supporting role of organizational narratives before outlining interconnections between organizational power, formal practices and policies, and organizational narratives. I conclude with a series of challenges this research raises for studies of EO, participatory democracy, and class in the workplace.

Worker Ownership and Working-Class Empowerment

From its earliest days, one of the goals of worker ownership has been to improve the opportunities of working-class people. However, class is not instantly transformed when employees assume ownership. An *individual* change in relationship to the means of production—from employed to co-owner—does not transform the larger *social* and *cultural orders* that assign individuals particular status and material possibilities. Class continues to have material effects in how it shapes access to housing, residential stability, and education, all of which affect ability to attain and keep a job. It also has pernicious effects that are less material and more cultural: a sense of confidence, of belonging, and of entitlement that combine to create *cultural capital* (Bourdieu 1986). Class stratification includes not only inequalities of wealth but also of access to, and enjoyment of, power and autonomy over key aspects of one's life. To be working class, then, is to have less access to wealth, power, and autonomy—inequalities that worker ownership can only address on an individual rather than societal level. Such inequalities are also outcomes of gendered and ethnoracialized social processes, but it would be a mistake to view class stratification as separable from these other forms. Class inequality is always achieved *through* inequalities of gender and ethnicity/race. This intersectional approach to class (P.H. Collins 1990), therefore, demands that class be seen as both subjective and objective, as well as deeply interpenetrated by (but not reducible to) gender and ethnoracial inequality.

Given the inroads made by shared capitalism into industries employing high numbers of working-class employees, EO studies potentially offer a wealth of insight about working-class empowerment. Twenty percent of the U.S. workforce participated in EO by the first decade of the 21st century (Kruse, Blasi, and Park 2010). EO, however, is typically confined to partial ownership, does not necessarily incorporate group decision-making or governance aspects, and does not necessarily extend to a company's entire workforce. Further, minimal inequality research has been conducted on these firms. That is, it is unclear which workers are more or less involved and how that involvement translates into workplace rewards such as job satisfaction, wealth, or power. What research exists indicates that EO does little to mitigate effects of occupational segregation on job access, wealth accumulation, and access to power, and, in some cases, exacerbates the effects of other workplace inequality mechanisms (Carberry 2010). While more studies of the relationship between EO and inequality are needed, it seems clear that ownership alone (particularly when stratified within companies) has little positive effect on class inequalities.

Despite the overt concentration of ownership and control into employee hands, worker-owned cooperatives—companies entirely owned and operated by their employees—have also historically fallen short of success in working-class empowerment. North American and European socialist, populist, utopian, and labor social movements advocated worker ownership to promote humane working conditions and equal access to the fruits of workers' labor and helped to develop thousands of businesses in diverse industries (Holyoake 1918; Jones 1979; Curl 1980; Goodwyn 1981; Taylor 1983; Schneiberg, King, and Smith 2008). Largely due to their reliance on bank loans that could be withdrawn and markets that could become exclusionary where noncooperative firms banded together against them, most of these enterprises failed, leaving a cautious legacy in their wake. Those that did survive faced a different set of issues: the "degeneration" of worker control into two tiers of founding owners and newer, non-owning employees (Webb and Webb 1897; Grob 1969). Even the internationally famous Mondragon network of investor- and worker-owned companies in the Basque region of Spain has seen increasing stratification between higher-paid managers who have ever more control over business decisions and lower-paid workers who report increasing alienation and anomie (Kasmir 1996). Thus, worker cooperatives seem doomed to either keep their principles intact and fail, or succeed as businesses but lose broader social justice goals.

The rise of worker cooperatives in North America and western Europe in the 1960s and 1970s—the cohort of the companies in this study—was perhaps possible due to a *dis*connection from the previous history. Emerging from white, middle-class youth subculture instead of labor-oriented social movements, the new cooperatives sought no bargains with capitalism but instead rejected what were seen as the dehumanizing effects of commodified labor and bureaucracy (Jackall and Levin 1984; Santa Barbara Legal Collective 1982). Internal social control was exerted through interpersonal relationships established by recruiting on the basis of friendship or potential friendship, rather than rules or managerial direction (Rothschild and Whitt 1986). Eschewing material rewards—and indeed often paying far below subsistence level (Rothschild and Whitt 1986)—the benefits sought were largely social and interpersonal: control over one's destiny and equality with one's co-workers (Rothschild-Whitt 1979; Mansbridge 1980; Ferguson 1991; Kleinman 1996). The focus on emotional connection, sharing control among members, rotating jobs, flat pay scales, and integrating the "public" sphere of work with the "private" one of family and community theoretically counteracted the forces of deskilling, job and occupational segregation, unequal pay, and harassment that create organizational inequalities (Braverman 1974, 1998; Milkman 1987; Acker 1990; Reskin and Roos 1990; Padavic 1992; Tomaskovic-Devey 1993; Steinberg 1995; S.M. Collins 1997).

Yet the rejection of financial goals in favor of more emotional, social, and interpersonal ones had profound class (and intertwined ethnoracial) effects on employees of these organizations. First, obviously, only those with other sources of wealth can afford to stay at jobs that pay below subsistence level. Thus, workers who remained (and consequently came to influence cooperative culture and direction) were largely middle and upperclass (Mansbridge 1980). Second, however, was the insidious effect of friendship on these organizations. Not only did friendship-based social control limit growth to accommodate face-to-face interactions among all members (thus reducing competitive power with larger corporations and reproducing financial precariousness), but the emphasis on friendship situated recruitment and retention within social networks (Rothschild-Whitt 1979), which are typically segregated by race/ethnicity and class (McPherson, Smith-Lovin, and Cook 2001). Furthermore, resistance to bureaucracy and its formality fostered conditions of what Freeman termed "structurelessness" (1970, 1984), where the overt and explicit distribution of power is replaced by one that reiterates the larger social stratification of power along class, gender, and ethnoracial fault lines.

Together, these conditions produced demographically homogeneous organizations. That is, the financial instability due to small size skewed these organizations toward more elite workers, friendship-based organizational control reinforced this population's dominance, and structurelessness obscured advantages of cultural capital and thus cemented this dominance. Indeed, several democratic organizations' scholars (Mansbridge 1980; Hacker 1989; Loe 1999; Pencavel 2001) and even members themselves (Ferguson 1991) posited homogeneity as integral to economic stability and success in these flat, anti-bureaucratic organizations.

This cohort of democratic workplaces, therefore, seemed to be primarily valuable to elite members of the labor market, and these groups' structurelessness has been linked to additional workplace penalties for those from socially marginalized groups (Sirianni 1993).

Yet despite historic failures of both EO and worker cooperative firms to deliver power, autonomy, and wealth to working-class employees, there have been exceptions that can be instructive. Worker-owned cooperatives' democratic nature creates the possibility, if not the assurance, of working-class empowerment.

In the Store and On the Floor

My interest in this project arose when a friend who worked at One World Natural Grocery told me about complaints made by the CEO of the People's Daily Bread Bakery at a worker cooperative conference. The CEO claimed that the conference's focus on participatory democratic practices privileged the skills and knowledge of educated, middle-class employees and thus excluded or exploited the working-class people his company set out to empower. As this CEO later explained to me, he felt working-class people would rather give managers control than sit in "endless" meetings to work things out. He believed the primary needs of his working-class employees were material: stable jobs that provided a decent living. Management was necessary in a capitalist economy to compete efficiently and preserve these jobs. Only middle-class people could afford the luxury of the poor pay and instability that accompanied participatory democracy. Since the grocery's worker control seemed to create rewarding working conditions for its employees, I was initially dismayed to think that such organizations could only benefit an already privileged sector of the labor force. However, as I embarked on this project, I quickly found that there was very little difference in employee class background in the two worker-owned cooperatives (class was qualitatively measured based on questions about the respondents' and their parents' educational background; parents' occupations; whether the respondents' parents rented or owned the family home; the respondents' childhood family car, if any; and recollective stories that gave a sense of the family's wealth). Given what I could observe of the differences in workforce composition and levels of job segregation, my interest in how management might affect the distribution of resources across class, race/ethnicity, and gender was piqued, and I began to seriously pursue these questions in these settings.

I therefore chose to compare One World Natural Grocery and People's Daily Bread Bakery, two relatively large worker-owned cooperatives (100 to 200 employees) with similar longevity (25 to 30 years at time of study) operating in the natural foods market niche, both located within the same "Golden Valley" geographic region of California. I collected data using ethnographic and archival methods: both nonparticipant and participant observation, interviews, and document analysis. Preliminary research conducted between November 2001 and October 2002 included 12 semistructured, formal interviews with employees at the two organizations, and visits to each of the sites. From July–September 2003, I engaged in intensive observation of both companies. During this period, I conducted 36 semistructured, informal interviews with employees of four teams at each site: office, production (baking and packaging), route sales, and shipping at the bakery; and office, produce, cashiers, and housewares at the grocery. I was thus able to contrast similar white-collar, blue-collar, and customer-oriented teams, as well as the team at each site identified as most conflictual and thus where organizational rifts might be best observed. I spent six weeks at each company, averaging nine hours per day and five days per week on site, where I would take constant notes as a nonparticipant observer (usually) or recollective notes in concentrated breaks during a few instances of participant observation. In both cases, I expanded my notes after shifts. In addition, I analyzed archival material at each organization: meeting minutes and agendas, advertising, promotional materials, training and policy manuals, internal communications, and internal financial documents including earnings for all members during the 2003–2004 fiscal year broken out by race, gender, team, and tenure (names removed). During this period, I also attended numerous meetings and orientations at both sites, official and informal social gatherings of both companies' employees, and conferences of worker-owners. In all, I spent approximately 800 hours engaged with members of the two companies.

The combination of recollective interviews, observation, and documents helped me triangulate the histories presented by members. By designing research to follow people and their narratives over time, I was better able to identify significant practices that reproduced and diminished class inequalities. All fieldnotes and interview transcripts were initially coded during the observation period using a mixture of inductive and deductive analysis. For instance, I began my project interested in inequality, but thought I was observing a bureaucratic organization (the bakery) and a nonbureaucratic one (the grocery). As it became clear during my fieldwork that the grocery was no less bureaucratic for all its rejection of hierarchy, recognition of the significance of bureaucratic practices emerged. Thus, the analytic process involved "asking questions of fieldnotes"—refining my approach as a field researcher, rather than simply an analyst of fieldnotes—before moving on to "focused" coding

(Emerson, Fretz, and Shaw 1995:146). This focused coding was done in 2005 with HyperRESEARCH qualitative data analysis software. The acknowledgment and ongoing refinement of my theoretical approach toward those I encountered in the field, as well as the reflexive practice of using my own experiences in the field as additional data, mark my methodological approach as one of the extended case method (Burawoy 1998).

The two worker-owned cooperatives I studied differed sharply from those studied in the 1960s and 1970s (Rothschild-Whitt 1979; Swidler 1979; Mansbridge 1980; Jackall and Levin 1984; Rothschild and Russell 1986), despite their roots in that cohort. Although plagued by rocky finances in their early years, both had matured into successful businesses capable of supporting a stable core of workers. Both were founded by white, educated, middle class workers, but the workforce of both companies was over 80% working-class and 40% people of color at the time of my study. However, despite retaining a similar commitment to democratic governance, the distributions of wealth, power, and autonomy varied. These specific similarities and differences made these ideal comparative cases from which to discover empowerment strategies for working-class employees.

The bakery and the grocery had many similarities with each other (cohort, geography, natural foods market, commitment to social justice), as well as similar differences from the cohort from which they emerged (growth, stability, capital, working-class, and ethnoracially diverse workforce). People's Daily Bread Bakery, located in a suburban business park in the southern part of the Golden Valley, was founded by three women and two men in the mid-1970s, all of whom borrowed start-up money from their white, middle-class families. The bakery was set up as a collectivist-democratic organization, a highly participatory form of management in which all employees discuss and make all decisions together (Rothschild-Whitt 1979). A series of serendipitous events permitted significant growth, but they struggled with internal accountability and profitability issues, including both shirkers and charismatic would-be leaders. In the late 1980s, the bakery had over 50 employees (making it larger than 85% of U.S. bakeries), and many members had financial responsibilities the founders never imagined. When an unofficial leader quit in response to criticism of his financial actions, they elected to transition from a participatory-democratic organizational structure to a managerial system with representative-democratic governance oversight in hopes of solving their problems. And in many ways it seemed that managerial control—accompanied by more typical hiring practices based on experience and skill; pay differentials for merit, experience, and responsibility;

and rejection of friendship as a basis for social control—had indeed been the best solution. At the time of my study, the workforce had expanded to just over 100 employees at a four-building plant, the company was generating $17.5 million in net revenues, and the reach of the company's organic sourdough baked goods was nationwide. People's *non*managerial employees had higher average annual earnings than the local median household annual earnings, and their injury rates were far below the average for their industry. That is, these were good working-class jobs: stable, well-paying, and safe. And the workforce had become almost entirely working class, including the managers. Greybo, the white, working-class female plant safety coordinator, explained to me that only two managers had more than a high school diploma, and pointedly said, "I don't know if managers in other firms that are 17- to 20-million dollar businesses get there without a degree."[3]

Yet, despite the unusual access to power held by (some) working-class members, gender and ethnicity/race shaped working-class access to jobs, wealth, power, and autonomy. For reasons that will become clear, where women had once formed the majority of employees and held positions across jobs, they were now only 15% of the workforce (see Table 1). Half were clustered in the office and none were in production, which employed 83% of the bakery's employees of color—or, more appropriately, *men* of color, as women of color were less than 2% of the workforce.

While the workforce had become far more ethnoracially diverse due to an increase in the employment of recent Mexican migrants, all of these workers were men and almost entirely in the lowest-paid and least autonomous production positions. These gender and ethnoracial inequalities of access manifested in stratified levels of earnings, as can be seen in Table 2. What is less visible are the inequalities of power and autonomy. As the rest of the chapter shows, because working-class women were largely excluded

TABLE 1
Workforce Demographics in 2003.[4]

Workforce demographics	People's Daily Bread Bakery	One World Natural Grocery
	Sample: 95 (100)	Sample: 185 (234)
Whites	*57%*	*61%*
People of color	*43%*	*39%*
Men	*85%*	*43%*
Women	*15%*	*56%*
White men	*44%*	*30%*
White women	*13%*	*32%*
Men of color	*41%*	*13%*
Women of color	*2%*	*25%*

TABLE 2
Distribution of Resources in 2003.

Earnings[5]	People's Daily Bread Bakery Sample: 95 (100)	One World Natural Grocery Sample: 185 (234)
Mean annual earnings		
All employees	$61,374	$40,155
Managers	$90,135	n/a
Nonmanagers	$57,460	n/a
Whites	$67,955	$39,809
People of color	$54,080	$40,703
Men	$60,999	$43,400
Women	$68,104	$37,942
White men	$67,461	$43,409
White women	$69,687	$36,453
Men of color	$53,854	$43,381
Women of color	$58,606	$39,893
2003 county median individual earnings	$30,083	$37,498
2003 county median household income	$54,614	$57,833
2003 county mean household income	$71,320	$80,614
Mean hourly earnings		
All employees	$32.46	$30.14
Managers	$46.18	n/a
Nonmanagers	$30.22	n/a
Whites	$35.93	$30.55
People of color	$27.83	$29.49
Men	$31.80	$28.62
Women	$36.67	$31.41
White men	$35.59	$29.20
White women	$37.10	$31.81
Men of color	$27.53	$27.34
Women of color	$34.06	$30.91
2004 county mean hourly wage	$19.16	$24.37

and working-class men of color were largely relegated to nonmanagerial, lower-wage, restrictively supervised jobs, it was mostly white working-class men who benefited from the bakery.

One World Natural Grocery, located in the Golden Valley's main urban hub about 50 miles north of the bakery, was founded in the mid-1970s by the mostly young, white, and middle-class followers of a spiritual leader. After a smuggling scandal that cost the guru most of his disciples and created a wariness of charismatic leadership, the store's workforce transitioned from volunteers to a mix of waged former believers and nonbelievers. Unlike many other collective stores in the area, the grocery's spiritual commitment to "service to the community" spurred its growth. Thus, it gradually expanded until it evolved into a 40,000-square-foot natural foods and products supermarket, generating net revenues of $25 million. Despite financial crises similar to those of the bakery, the grocery continued to reject positional management and hired consultants to strengthen its democratic governance. This resulted in a mix of participatory and representative structures. Long-range decisions were made by elected committees and whoever attended the monthly membership meetings. Authority over most day-to-day decisions was located within 14 teams, including hiring and firing, allocation of raises, and vacation and leave allocations.

Table 2 shows that grocery employees did not have earnings as impressive as bakery employees, grossing less than 70% of the median annual household earnings for their county. However, grocery workers' lesser *annual* earnings largely resulted from choosing to work fewer than 40 hours (the bakery mandated a 40-hour work week); average grocery *hourly* earnings were nearly equal to those of nonmanagerial bakery employees and were higher for nonwhite employees. Like the bakery, the grocery was approximately 40% people of color and over 80% working class but, as shown in Tables 1 and 2, the grocery also had a female majority of employees and very little difference in earnings, power, or job autonomy among social groups.

As I demonstrate in the following section, these differences were largely produced by the bureaucratic arrangement and formalization of power, which were then buttressed by organizational worker discourses that made each kind of bureaucracy seem not only natural but particularly suited to the membership. I do not claim that the organization and formalization of power were a result of organizational narratives, or that these organizational narratives resulted from the structuring of power. Nor do I argue that any one aspect of these bureaucracies is the cause of the degree of inequality regime. Rather, the next section reveals how power, formality, and narratives interacted in specific (and mutually reinforcing) combinations to heighten or reduce workplace inequality.

Working-Class Inclusion and Empowerment: The Effects of Organizational Structure, Formalized Rules and Practices, and Organizational Narratives

Carberry's (2010) study of shared capitalism's inequality effects indicates that, in the main, most of the gendered and ethnoracial stratification of wealth and power in EO organizations can be chalked up to the larger social processes that create workplace inequalities (education, labor market and job segregation, and job tenure) and not to specific characteristics of shared capitalism plans. However, my analysis reveals that the bakery's class stratification of wealth and power was far less acute than that of typical corporations, and the grocery had only a few small variations of wealth, power, and autonomy across class *and* race/ethnicity and gender. That is, although research indicates that noncooperative forms of EO may not mitigate existing inequalities, both the bakery and the grocery were able to do so. This suggests that there are indeed ways in which organizational power structures can reproduce or reduce inequalities, and that democratic employee ownership might provide models of inequality reduction.

The bakery and the grocery organized power very differently: bakery management was vertical, although nominally directed by an all-employee board of directors, while the grocery created a hybrid horizontal and vertical democracy. As the next three subsections of this chapter show, the ability of each organization to distribute power and autonomy across class—including intraclass differences of race/ethnicity and gender—was deeply affected by the degree to which each company organized power horizontally or vertically; the extent to which each formalized this organization through rules, policies, and procedures; and the organizational narratives each deployed about what it meant to be a worker.

Managerial and Worker Control: Two Kinds of Bureaucracy

For most people, it is impossible to imagine a *bureaucratic* organization without *hierarchy*, without legitimate, fixed power inequalities. Yet, despite the grocery's lack of hierarchy, both organizations were indeed bureaucratic. Positions were separate from people, hiring was done on the basis of perceived skills and expertise rather than social ties, authority was legitimated either through election or position rather than personal charisma or family-based claims, and both companies were thoroughly permeated by formal documents specifying rules, policies, and procedures. In the bakery, this was accompanied by a hierarchy of power similar to that of most large workplaces. The grocery's bureaucracy, on the other hand, institutionalized a complex and nonhierarchical power structure. Comparing the two thus permits analysis of how different kinds of bureaucracies inhibit or enhance working-class empowerment.

At the bakery, hierarchy had both direct and indirect effects on working-class empowerment. Although most bakery managers were working class, the restriction of decision-making power to a subgroup reduced the power and autonomy of the working-class workforce. There were also more subtle effects. By creating an elected, all-employee board of directors, employees had been intended to have control over the CEO (and thus the managerial system). Yet, over the years, it had become almost entirely composed of managers who, because they were the only ones visibly making and implementing decisions, were widely perceived as smarter and more capable—and the only ones with sufficient time and wage flexibility to run for these meagerly stipended positions. Even in the one remaining site of potential participatory worker power, the membership meeting, worker proposals were unlikely to be considered unless they had advance approval from the board of directors. As Pam, the white, middle-class office team manager, explained, "The members would say, 'Do we want to waste our time? Is this lady off the wall? She didn't even go to the board!'" This made it almost impossible for nonmanagers to demonstrate independent capabilities. In addition, most of the managers and board members were white men, strengthening the cultural link between whiteness, masculinity, and leadership. This created observable problems with exercising authority for women and nonwhites, further reducing direct access to power for a large segment of the working class.

Job access at the bakery—and thus any chance at workplace power and autonomy—was also affected by the narrowing of hiring into the hands of a single manager whose individual beliefs and decisions created informal policies. For example, despite describing job applicants and even former workers of other genders, Pam, whose eight-person office team was entirely female, and Charlie, the Latino manager of the forty-person all-male production team, both explained this gender segregation as a result of the gendered preferences of job seekers. Disconnections such as those Pam and Charlie displayed—between their certainty that workers self-selected into jobs by gender and their own descriptions of mixed-gender applicants to both teams—reveal the submerged, stable beliefs held by those in charge of hiring. Pam's bias may have protected the one secure site of women's employment at the bakery, but most job openings were in production. As research has revealed, although people may have gender preferences, the effect of these on job choice is insignificant compared to economic need (Padavic 1992). Charlie's bias combined with the ethnoracialized local labor market funneling Latinos into production to effectively deny employment to Latinas. Thus, the bakery's creation of jobs for "the working class" effectively extended that welcome only to men.

Even where managers were not themselves the cause of inequality (as in cases of unequal job opportunities), the inequalities of the larger social world were quietly legitimated and incorporated into the bakery through the broader practice of unequally valuing managerial and non-managerial jobs. That is, once there was acceptance of autonomy and pay disparities between *levels* of work, it was easier to accept such disparities between *kinds* of work. Thus, it was not conspicuous to bakery employees that two teams with similar managerial control would have extremely different levels of power and autonomy. In the production team, with 69% employees of color, workers were subject to intense managerial surveillance: discipline for being more than 15 minutes late, varying manager-set weekly schedules, penalties for switching shifts with team members, and even regulation of leisure time through mandatory on-call days. In contrast, members of the 91% white route sales and delivery (RSD) team each drove their store routes alone and were subject to little regulation beyond the loss of commission if sales quotas were unmet. This was not because the work was inherently autonomous. Sales decisions could have been made by managers, and the technology they used could have created greater levels of surveillance. Instead, these differences were a result of the bargaining power held by white RSD employees in the larger labor market who could (and, when their autonomy was threatened, sometimes did) leave for lateral employment opportunities. In contrast, the once-prevalent food processing plants that competed for People's production labor were shrinking and disappearing. Yet, rather than suggesting that hierarchy merely follows inequalities, the disparity in autonomy revealed that managerial control was to be a tool that could be wielded against the less powerful. Instead of leveling the playing field, managerial control augmented privileges that were socially conferred to some workers and stripped from others.

In contrast, the grocery's hybrid participatory/representative-democratic worker control also had direct and indirect effects on class inequality, but they were effects that broadened rather than narrowed working-class empowerment. Direct effects included literal empowerment across organizational demographics by giving almost all major decision-making power to the 14 democratic teams into which all employees were organized. Indirectly, this use of participatory democracy prevented the dominance of middle-class and white interests on the two most powerful elected representative committees, the board of directors and the Intercooperative Concerns Committee (ICC), and strengthened bonds among potentially isolated members of socially marginalized groups. Like the bakery, the grocery had an elected, all-employee board of directors that consistently had more whites, more men, and more people from middle-class backgrounds than the membership as a whole.

However, the board's decisions could be, and at times were, vetoed by majority vote at the membership meeting. Further, the numerous smaller elected and voluntary committees had no such overrepresentations of whites, men, or people from middle-class backgrounds. These other committees not only provided space to showcase the knowledge, skills, and actions of working-class men and women of color, as well as white women, but also increased face-to-face interactions among the more than 200 employees. Decentralization of power thus repeatedly offered evidence against the dominant cultural linkages between whiteness, masculinity, knowledge, and capability, and increased sites through which claims to power could be made. This helped to account for the regular inclusion of working-class women of color on the lists employees offered me of "key grocery people" alongside three white men.

Another indirect effect was to preserve and increase access to grocery jobs by non-elites. As I witnessed during observation and was told in interviews, team hiring decisions were made by elected three-person committees, and discussion about candidates seemed to delegitimize any internalized ethnoracial and gender scripts grocery workers might privately hold. No team displayed any gender or ethnoracial skewing, and only one a class skew (surprisingly not the white-collar office, but the physically strenuous cheese team). The culture of regular democratic participation also led to intensified cross-worker surveillance, or a sense of "200 bosses," as Elena, a working-class Latina cashier, put it. At the grocery, though, these bosses were not simply concerned with the bottom line. When another employee discovered that Brian, a white, working-class male board member, had conducted business without prior board approval as required, he lost his bid for re-election despite his previous success and a general consensus that his actions were cost effective and beneficial. Any social correlation of Brian's whiteness and masculinity with financial acumen was surpassed by the culture of accountability combined with highly effective participatory management.

At both companies the direction of power—horizontal or vertical—had gender and ethnoracial effects, shaping the scope of working-class power and autonomy in the workplace. At the bakery, the way hierarchical management naturalized inequality and concentrated decision-making power into fewer hands effectively translated internalized individual beliefs about gender and ethnoracial needs and desires into unequal job access, power, and autonomy. This created a far steeper inequality regime than at the grocery, where inequalities were suspect and decisions were made in dialogue and across nodes of power. Although not entirely equal, the grocery's organization of power produced a highly and unusually egalitarian distribution of workplace rewards.

Subordinated and Protective Formality

As the previous section indicates, broader and more participatory power structures are necessary to produce working-class empowerment. However, such organizational structures are not *sufficient* for creating working-class inclusion and/or empowerment. In this section, I argue that the key to the grocery's ability to avoid class and ethnoracial homogeneity while preserving participatory democratic involvement lies in its embrace of bureaucratic formality, in its clear and documented codification of rules, policies, and procedures. However, as this section also demonstrates, formality cannot be treated as a discrete force of egalitarianism. Instead, it interacts with the structural arrangement of power to minimize *or* reinforce inequality regimes. While Acker (2006a) argues that hierarchy makes inequality regimes steeper, these cases suggest that where hierarchy is absent, formality is required to avoid the problems of "structurelessness" that Freeman (1970, 1984) identifies—the covert and unassailable usurpation of power by those with dominant cultural capital—and to create broader democratic worker control.

Both the grocery and the bakery were highly formal, with numerous written policy and orientation manuals, financial reports, disciplinary notices, team logs, clipboards holding inter-team communication, safety posters, agendas, and meeting minutes. At the grocery, however, formality *was* the mechanism through which power was distributed, protecting the interests of organizational minorities. It was not just Brian's violation of organizational norms that undermined his re-election, as previously described, but it was the formal practices of information sharing that made his specialized knowledge redundant: Brian's reports were part of the board minutes that were distributed across the organization (and, like all storewide documents, translated into Spanish); and employees were expected and paid to read the reports and then discuss them in team, membership, and Collective Concerns meetings. These practices undermined the tight coupling between white masculinity and financial leadership by integrating the consumption of business information across gender, race/ethnicity, and class.

The grocery's formality protected those with less cultural capital in two ways. First, it disseminated rules that mandated greater fairness and blocked subtle forms of inequality. Second, it backed these rules with formal training procedures including one-time orientations in organizational history, structure and process, and fiscal practices; a buddy system through which long-term workers guided the newly hired through their first year of meetings and advised as requested; and a committee providing assistance in research and writing to all employees, leveling the playing field among those with and without the educational training needed to produce and advocate for agenda items at the membership meeting. Both the formal rules and formal procedures fortified the hybrid democratic structure against charismatic or elite bids for power and compensated for inequalities in cultural capital that employees brought to the organization.

The critical nature of formality in reducing inequality was highlighted as much where it was absent as where it was present. Where formal rules and procedures had not been created, hybrid democracy did not prevent power from devolving to whites and men. Buying—the selection of a sales team's goods—was one such area. Buying was a coveted position that provided a greater autonomy as well as time off the shop floor. Buyers for the highly profitable teams were men, almost all white, and, as with managers at the bakery, they were largely perceived as superior individuals rather than as fortuitously placed, thus reproducing links between whiteness and maleness and financial wisdom. No policies had been created for how buyers were to be trained; instead, an informal system of skills sharing had been developed. Links between this practice and inequality had been noted by some employees. Jan, a middle-class white woman said,

> Buyers, the guys pass accounts off to each other. They do. There's definitely an old-boy buyer thing going on. You know, like Burgundy [the buyer for the most profitable team in the store], he's finding the young man of his choice to train up to his position. And the women aren't even in the same realm, you know. I mean, I don't think he considered it, and I don't think he knows he's not considering it.

That is, the grocery's greater egalitarianism cannot be attributed to something about this specific group of people. Without formality intervening to bring hybrid democratic practices into play, informal and unequal social patterns re-emerged, re-creating the "structureless" situations typical of the 1960s and 1970s collectives.

The bakery's formalized hierarchy created certain protections that were not present at the grocery but that simultaneously bolstered the bakery's inequality regimes. At the grocery, despite repeated reminders by the passionately class-conscious, white, working-class safety coordinator that working people's primary assets were their bodies, workers resisted being "policed," and, as a result, grocery worker injuries and resulting worker compensation claims harmed members' futures and the grocery's bank account. In contrast, the bakery was formidable in protecting workers' bodies, far surpassing industrial bakery averages. This was accomplished through the intersection of formality with managerial control. Formal documents included customized safety videos and training manuals, a blanketing of safety posters and signs in each team's work area noting the number of days without an accident, and a system of "near miss" documents that could be completed by any employee (and were heavily encouraged with rewards for teams with the most reports). These documents were then reviewed by all levels of management and the plant safety coordinator, and a description of the remedy was made to the reporting team. In addition, the plant safety coordinator regularly observed teams and created her own reports. This helped explain the remarkable wholeness of bakery employees' bodies, as well as their extremely low insurance payments. Yet these formal practices also augmented managerial control, as managers used safety documents to discipline employees through drug testing, written warnings, suspensions, and terminations. Safety culture was not simply protective of workers but also protective of power and autonomy inequalities, solidifying managers' greater power and autonomy. Thus, even here the subordination of formality to hierarchy was visible.

The bakery's use of English to formalize policies created less fairness, even where it might be expected, and preserved social and organizational inequalities. Orientations for new employees included similar levels of formality as those of the grocery, and similarly mind-numbing, three-hour blasts of information, but where these were followed up at the grocery with interlocking practices such as the formal buddy system, there were no formal options available for bakery employees seeking further information or explanation other than to go to a manager. Further, the effect of orientations was severely limited by the bakery's formalization of English proficiency policies. This meant that formality not only created managerial/nonmanagerial inequalities but also had insidious ethnoracial effects. The (white, English-speaking) manager-dominated board implemented an English proficiency requirement for employees, necessary not only for communicating with managers but also for comprehension of company English-only orientation materials, financial reports, and non-OSHA safety materials. Workers could be hired with minimal English but were required to take remedial community college courses. While there had been a brief experiment with on-site Spanish training for managers, resistance from some managers led to the quick demise of the program. Thus, even in production, where almost all of the primary Spanish speakers worked, the team with the most daytime hours had the highest number of primary English speakers (and also the highest number of white employees), while the teams with the least "social" hours employed most of the Spanish-speaking workers. The English-language requirement gave managers tools to reproduce occupational segregation, and it intimidated some primary Spanish speakers from becoming voting (and profit-sharing) members. Thus, formal rules implemented by managers through the democratic governance system limited power and created additional barriers and burdens for non-English-speaking working-class employees.

Formality was thus compatible with both managerial hierarchy and participatory democratic control but had very different effects. It might seem that participatory democracy requires far more freedom and fluidity than the rigidity imposed by formal rules, policies, and procedures would allow. Certainly, members of the participatory-democratic worker cooperatives of the 1960s and 1970s resisted formality for exactly this reason. However, as previously demonstrated in this chapter, formality can in fact strengthen the functioning of participatory democracy by clarifying expectations and lines of power and by leveling cultural capital inequalities among members, with training and protections. In contrast, formality does little to level these inequalities when combined with hierarchy, eroding democratic participation by solidifying the scope and nature of managers' power. While Freeman (1970, 1984) is no doubt correct that cultural capital inequalities are magnified by structurelessness, it seems that hierarchical structure transforms cultural capital into organizational capital. That is, while a lack of formality can indeed allow those with social advantage—whether from actual training or from entitlement due to the expectations of those around them—to exert dominance on particular jobs, organizational direction, or accrual of wealth, formalized hierarchy reifies those advantages of cultural capital in the people who occupy the limited positions of authority. Bakery managers, the only ones who could legitimately demonstrate decision-making power, seemed to hold their authority by virtue of essential and personal superiority rather than their organizational position. In contrast, where formality protected the broad distribution of power at the grocery, knowledge and authority was showcased across the typical divides of class, race/ethnicity, and gender, producing organizational capital in subjects who held and had access to far less power in the larger world than they did at work. The grocery's documentation of lines of power and methods of grievance and redress undermined the ability of those with cultural capital advantages to subtly affect organizational direction.

Organizational Narratives: Legitimating Inequality Regimes

Given their very similar origins, it was not inevitable that the bakery and the grocery should evolve into such different bureaucracies with different levels of inequalities. The bakery had adopted far more typical organizational practices, subordinating formal rules and policies to the discretion of a hierarchy of managers, which had devolved power largely to whites and severely limited opportunities for women. In contrast, the grocery had preserved the largely decentralized and direct-democratic practices of its founders but had created multiple and interlocking layers of formal rules and policies that appeared to preserve the ability of men and women of color and white women to have access to grocery jobs, wealth, and power. Why did these organizations evolve such different inequality regimes? Why should similar demographic groups support such different distributions of workplace rewards? Bakery employees—and particularly upper management—were not blind to class, gender, or ethnoracial inequality, and indeed prided themselves on providing a good livelihood to working-class people, including a disproportionately large number of Latinos. Nor was it inevitable that the white, middle-class founders of the grocery would have developed practices that disrupted their privileges. In this section I show that members made sense of and explained the differing degrees of their workplace inequality regimes by using *organizational narratives*—social stories and practices that define and solidify these stories that have traction and legitimacy among workers within an organization (both on an individual and group level) about the ways in which workers' sense of self and others *as workers* intersects with race/ethnicity, class, and gender. Organizational narratives promote certain aspects of workers' selves and minimize others, although, as the cases here reveal, the specific form these narratives take cannot always be predicted. Thus, despite their founders' similar whiteness and middle-class backgrounds, the bakery developed a highly classed narrative that minimized race/ethnicity and gender as central to defining a worker/member, while the grocery developed more multifaceted narratives that only weakly invoked class but legitimized race/ethnicity and gender.

As the bakery CEO's criticisms of participatory democracy at the conference noted earlier made clear, class was a highly legitimate referent at the bakery. This class discourse was evident not only in how employees identified themselves and each other but also in a variety of organizational practices. Two practices previously noted include the recruitment of nondegreed managers, sharply reducing class differences between managers and nonmanagers, and the stringent safety policies and procedures that protected workers' bodies to an unusual degree. Another was the distribution of profits not only to member-owners but also to the 30% of employees who were not yet eligible or had not chosen to become members,[6] recasting profit as the right of producers rather than owners—a practice unique to the bakery among North American worker-owned cooperatives. It was also evident in workers' self-presentation, where a singular class framework was echoed throughout my interviews with bakery employees. Such a framework was at best submerged into a category of "white trash" at the grocery but more commonly completely absent (most grocery employees seemed bewildered when asked to identify their class). This was starkly visible in the differences in self-presentations of Leslie, a bakery RSD team member, and Jennifer, a member of the grocery's cooler team. While both were working-class, suburban-raised, white women with terminal high school degrees, who had both held similar jobs to their current ones before coming to the worker-owned cooperative, and whose tasks involved similar levels of interface with the buying public and thus required similar commodification of emotions (Hochschild 1983), they drew on very different narratives to define their work choices and themselves as workers. Despite the significant degree of power and autonomy held by RSD drivers, Leslie described her job as a *well-paying* option for someone with only a high school diploma who needed help to support her family (which I later discovered to be her female partner and their children) rather than one with greater freedom from managerial, male, or heterosexual control. This typical class, and historically masculine (Acker 1990), framing was one I regularly encountered at the bakery.

In contrast, Jennifer, whose floor shifts put her at the mercy of customer demands and thus seemed to have diminished autonomy, used a typical grocery framework of an inherent need for autonomy—describing her inability to tolerate bosses with the gendered descriptive of herself as too "bitchy"—and pleasure in co-worker ethnoracial diversity to explain her job choice. Additional grocery practices articulated "workerness" around gender and ethnicity/race. Workers who were parents received an extra dollar per hour per child, thus legitimating family concerns as workplace ones. Meeting minutes were distributed verbatim, at one point including African American slang, "Don't be a hater, we're ballerz" in a summary statement exhorting the membership not to complain about a decision because the grocery was doing fine financially. Reproduction of nonstandard English, as well as the practice of regular translation of documents into Spanish by the company team of translators, legitimated a multivocal organizational voice. Where bakery workers mostly drew on class discourses of material rewards and ignored possible gender or sexuality frames, grocery workers more readily linked gender and ethnoracial discourses to ones of freedom in explaining their rewards as workers. In almost all cases, the bakery's strong class logic edged out gender or ethnoracial explanations for actions, while the weakness of class's explanatory power at the grocery permitted alternate workplace logics to emerge.

It would, however, be unfair and misleading to say that only grocery workers were concerned about gender and ethnoracial inequalities. Both companies took overt organizational steps to remedy gender and ethnoracial conflicts they acknowledged to exist within their walls. However, the difference between managerial and worker control affected these actions. When bakery conflicts arose in the early 1990s that were overtly religious, racial, and sexuality-based in nature, upper management and the board hired external "diversity trainers." The consultants engaged all employees over a series of days in a variety of workshops that were widely seen to be helpful in cooling emotions and creating better interpersonal relationships among diverse employees. They "just [let] people be who they are. You know, 'cause that doesn't have anything to do with business," as Keith, the middle-class Latino personnel manager explained. By presenting ethnoracial, religious, and sexual concerns as external struggles that had unfortunately made their way into the organization, could be managed with the psychotherapeutic techniques of identifying common humanity, and could be organizationally dealt with in one intensive intervention, the bakery effectively delimited these social inequalities as *external, interpersonal,* and *irregular*. This articulation was wholly different from the *internal* and *structural* class inequality that their policies attempted to remedy through such *ongoing* practices as promotion without educational credential and profit sharing among owning and non-owning employees alike. That is, the bakery clearly differentiated class workplace effects from those of gender, sexuality, religion, and ethnicity/race.

The grocery, on the other hand, identified its ethnoracial and sexual conflicts as part and parcel of their workplace. Instead of bringing in consultants for a single round of workshops, the grocery hired consultants to create internal trainers in an ongoing "Anti-Oppression Task Force" who thereafter conducted week-long annual trainings for small groups of grocery workers. As with all committee work, task force members and trainees were paid for the hours they spent in these activities, legitimating this as integral to the grocery's function. In the task force's biweekly meetings, they aimed to keep their work from becoming "more of a sensitivity training than an anti-oppression training," as white, middle-class member Sally explained. The task force also pointed out and raised awareness about organizational and interpersonal practices that reproduced inequalities. Employees pointed out how some of the task force's concepts were being incorporated into day-to-day interactions within and between teams, and trainees described having a robust and organizationally sanctioned language with which they could advocate for company policy changes. By literally making these practices part of doing business, by rejecting individualizing psychotherapeutic frameworks, and by institutionalizing the reproduction of challenge to inequality throughout the company, the grocery advanced gender and ethnoracial inequalities as *internally reproduced*, *structural*, and *ongoing* workplace issues that were the legitimate terrain of workplace intervention. In this way, the bakery and the grocery sharply diverged in their treatment of inequalities as *workplace* structures of meaning and action.

Interestingly, neither the bakery's "diversity" nor the grocery's "anti-oppression" trainings included explicit focus on class. At the bakery, a widespread and overt feeling of class homogeneity requiring less intervention than the clashes among a heterogeneous mix of ethnicities/races, genders, sexualities, and religions seemed to be the cause. At the grocery, the task force's lack of attention seemed more an outcome of a diffused class awareness. Yet, while the grocery's "class blindness" indicated absent class *cognizance*, it did not mean that class had no effect on the actions taken by the grocery.

Given the dominant class logic of the bakery, it would seem reasonable to expect strong class solidarity as an outcome. Certainly, those critical of the inclusion of gender and race/ethnicity as core workplace issues have argued that only a highly focused class framework can preserve the class solidarity necessary to winning power for the working class (Gitlin 1995). However, the cases of the grocery and the bakery suggest that such a singleness of focus does not necessarily promote such solidarity, nor that a multi-pronged approach erodes the possibility of solidarity or (broadly defined) working-class empowerment. This was readily apparent when a grocery workers' strike occurred in Southern California that threatened to spread to the Golden Valley in a few months. At the bakery, managers and the RSD team discussed using practices employed during an earlier strike: wearing large badges saying "worker-owned" to distinguish them from unionized delivery drivers, or coordinating with (presumably scab) loading dock receivers to minimize contact with picket lines. RSD team members reacted angrily when they felt my questions implied they should not cross the picket line. Frank, a working-class white man, snapped, "We're non-union, and the last time the Teamsters told us to deliver if you can." Sylvia, a working-class white woman, corroborated: "It's aimed at consumers, not vendors." Although, like the grocery, the bakery was not unionized, it surprised me that bakery employees had little sense of mutual interest with the unionized grocery workers in their surrounding community. At the bakery, a class organization narrative did not mobilize a sense of shared class interests leading to supportive action.

In contrast, the grocery almost immediately acted to set up a voluntary automatic payroll deduction to support the strike fund, utilized by 20% of grocery workers at the height of the strike. Some fund participants described their actions in class terms as, "We're all workers," but most noted how the supermarket boycott called by the union had increased their customer numbers and said they didn't want to profit from the struggles of "people like me," which, upon further inquiry, meant women with children, people of color, or people on a tight budget. What emerged were materially supportive class solidaristic actions based on identifications through gender, ethnicity/race, and consumer power. In these ways, the grocery reconfigured the meaning of class to level gender and ethnoracial inequalities embedded in a historically "classed" framework. This is significant in helping to understand how the grocery was able to create as much or more working-class access to jobs as the bakery: largely by promoting greater access to power and autonomous jobs across gender and ethnicity/race.

The bakery's narrowly classed organizational narrative authorized remedy of the most basic of class injustices: the exploitation of labor for someone else's profit. Yet, in relegating other aspects of workplace inequality to the external world for solutions, the bakery gave the advantages of safe, stable, and well-paying working-class jobs primarily to working-class people who were white and men. There were some advantages for working-class Latinos, as the classed masculinity of production extended them access to those jobs. However, without explicit ethnoracial dimensions of the bakery's workplace subjectivity, Latinos were left with no way to make legitimate claims on the organization's ethnoracial inequalities of autonomy (and pay). As sociologists who study the historical development of class discourse in the United States have noted, class has been and still is constructed through ethnoracial and gender structures of meaning. Stanley Aronowitz argues that, in bargaining with capital, the American labor movement sacrificed "ecology, feminism, and racial justice" (1992:24), while Acker (2006a) complements this history by noting that state efforts to level class inequalities, such as the postwar GI Bill provisions for education and home loans, were aimed at and of disproportionate benefit to white men. Thus, deployment of the historically developed idea of class—which is in fact particularistically white and male—works against the interests of people of color as well as white women.

On the other hand, the grocery's more diffuse organizational narrative—encompassing race/ethnicity, gender, and sexuality as well as class—permitted ethnoracial and gender inequality to be addressed as workplace issues, mitigating inequality across more of the working-class population who tried to access and benefit from grocery jobs. This indicates that an either/or struggle between class and "status identities" is not the central issue. Instead of viewing class as the base interest mediated by other forms of subjectivity, class may be as bounded and particularistic as critics contend "status identities" are. Class identity, as historically constructed, can be detrimental to the creation of class solidarity across ethnoracial and gender lines; thus, it can block access to power (and even to jobs) for men and women of color and white women. Instead, a multifaceted organizational narrative seems to reconfigure class as encompassing workplace struggles that occur through practices and processes of gender and ethnicity/race, linking the broad distribution of power to the needs of a heterogeneous workforce.

Links Between Power, Formality, and Organizational Narratives

The bakery switch to managerial hierarchy was intended to maximize profitability by fitting better into the capitalist world, under the assumption that its workers' interests were the "classed" ones of ownership of labor and its surplus. Thus, control of the company's direction, and indeed of the components of its workplace subjectivity, was put into the hands of its white, male, and fairly Marxist CEO at the same time as class emerged as a strong narrative. Managers pushed the assumption of shared and legitimate interests as a way to justify their actions, but, in so doing, imposed a homogeneous narrative on the workforce, relocating competing narratives—gendered ones about enjoyment of family, or ethnoracial ones about workplace and community empowerment—outside the organization's purview. While the typical nondemocratic corporation has no need to justify the control of a diverse workforce by a much more homogeneous managerial stratum, a democratic organization must be able to make congruence between members with more power and those with less. For the bakery, a classed organizational narrative performed this function by making managers *proxies* of workers' class interests. As the bakery's hierarchical bureaucracy achieved legitimacy in part by reflecting business practices around them, it reinforced inequality as a natural fact of workplaces just as Acker (2006a) has described: managers have power over the managed, men over women, whites over people of color, and so on. Because class is always enacted through gender and ethnicity/race, the bakery's unremarked use of class became marked by dominant operations of gender and ethnoracial status, producing perceptions of women as essentially unfit for production jobs and Latinos as essentially available for stern discipline regimes of scheduling. It was not inevitable that class should dominate the bakery's organizational narrative, but it was at least highly likely that People's transformation into a managerial hierarchy would narrow rather than expand this narrative so that the representative power structure could act as proxy for worker interests.

At the grocery, neither control nor subjectivity was constricted, but instead a multiplicity of subjects and policies and practices found space to grow. The gradual development of One World's organization-building efforts and its hybrid democratic control contrasted with the planned transformation of People's. These disconnected and decentralized policies were advantageous for creating wider access and empowerment, and the broader diversity had a reciprocal effect on organizational structure. Grocery policies protected and thus *articulated* a heterogeneity of subjects across class, gender, and ethnicity/race. Delegation of recruitment and retention power to the teams protected and increased this heterogeneity, and in turn the grocery's heterogeneous workforce enacted further policies and practices that increased the legitimacy of workers across categories of difference. The grocery's organizational narrative demanded multinodal access to power and the preservation of the possibility of conflict to accommodate an employee population that defined itself as internally dissimilar. Thus, a mutually reinforcing relationship between mostly decentralized but formalized power and a diverse workforce was ever more firmly entrenched: a multifaceted workplace subjectivity required multiple sites of empowerment to mute inequalities.

What this makes clear is that inequality regimes function through both visible and subtle mechanisms. The (always ethnoracialized and gendered) class outcomes of the inequality regimes in these two employee-owned workplaces are not due *only* to the arrangement of power. Instead, the organization of power, the formal processes and documents that codify power, *and* the organizational narratives that stabilize the flow and reach of power must be identified and analyzed in order to understand how EO might better empower the working class.

Conclusion

In the last 30 years or so, participatory democracy has fallen out of favor as a means to the end of workplace empowerment for a non-elite workforce. The few scholars who have focused on such organizations, as previously noted, often present pessimistic conclusions when it comes to inequality. Further, despite the larger proportion of the working class employed by EO companies, little research has been done on the class outcomes of these companies. This research fills an empirical gap in the literature by offering examples of how worker ownership can be utilized by a predominantly working-class workforce—and even of an organization with a high degree of participative democratic worker control. It offers workers both models and analysis of relations between EO and inequality, and it renews hope in the organizational potential of participatory democracy.

This research has presented several specific challenges to the scholarship on EO and class empowerment. First, it is clear that democratic employee ownership *can* create working-class empowerment. This should reawaken lines of inquiry for scholars, for workplace equity activists seeking to positively influence economically depressed working-class communities, and for EO firms seeking a competitive edge. While democratic managerial control such as that found at the bakery can offer stable, safe jobs to working-class people, the streamlining of power into fewer hands has stronger within-class inequality effects than does broadly distributed participatory democratic worker control. This chapter has come at the issue from a social justice perspective, but the "business case for diversity" (Cox 1993, 1994) could also be made here. Creating organizations that can recruit and retain talent and ability from a broader workforce might create more flexible and innovative firms that can appeal to a broader consumer base.

This leads to the second challenge: it is clear that neither homogeneity nor an elite workforce is necessary for functional participatory democracy. As scholars of other kinds of organizations have found, the formality of bureaucracy is effective in protecting minority interests from elite domination (Polletta 2002). While earlier structureless participatory democracy proved to either exclude or strip power from working-class members, bureaucratic participatory democracy seems able not only to include working-class employees but also to extend inclusion across race/ethnicity and gender. The evidence presented here indicates that working-class people are interested in and capable of managing their own businesses, and, when employees are paid for what are typically managerial functions (that is, the "endless" meetings decried by the bakery's CEO), they will take on that responsibility. This may have important implications not only for worker-owned cooperatives but also for firms (EO or not) with highly participative employee programs: the difficulty in eliciting tacit knowledge from employees may be less about their ability or willingness to share than about employers requesting donations of such participation from employees who see others being well compensated for their knowledge. It also supports the conclusions drawn by Rosen, Case, and Staubus (2005) about the need for formalized training and information sharing as part of fostering a firm's ownership culture to create successful EO.

However, third, this research challenges the conventional EO wisdom that participative management *generically* benefits employees. The examples here make clear that different forms of participation—work teams, governance committees, management councils—draw on classed, ethnoracialized, and gendered social and workplace practices, and thus have classed, ethnoracialized, and gendered outcomes, particularly when combined or not combined with educational and training efforts. Disregarding a workforce's multiplicity of differences, and the intersections of these differences, imperils the ability of participative EO to have egalitarian effects.

The fourth and final challenge is to the concept of class as external to other social statuses such as gender, ethnicity/race, sexuality, or ability. Typically, talk about "the working class" excludes men and women of color and white women, positing barriers they face as additional or external to class. As this chapter has shown, this approach obscures how issues affecting white, male working-class people are privileged, reproducing whiteness and maleness as a norm from which working-class men and women of color and white women deviate. That is, this research aims to turn this approach on its head: instead of asking how gender or race mathematically increases the inequality effects of class, this analysis has illustrated that class effects are always constituted through gender and race/ethnicity. This far more intersectional approach helps us understand how a "class" discourse helps to deliver advantages to a small (white, male) subgroup within the working class and how an intersectional discourse that acknowledges workplace power inequalities such as race/ethnicity, gender, sexuality, and ability can better deliver advantages to working-class people.

While a clear benefit of this kind of qualitative research is the exploration of the "black box" of how inequality effects are reproduced or reduced, it is limited by the small number of firms studied. In part, that is an effect of the small number of large, democratically governed firms that exist, and the even smaller number of those that use some degree of participatory democratic governance. Further investigation of some of these findings in fully employee-owned firms that are not worker-owned cooperatives would help us develop more robust understandings of inequality and EO.

Democratically governed, entirely employee-owned worker cooperatives comprise a tiny fraction of the minority of U.S. workplaces that employ shared capitalism, but they offer important lessons about balancing long-term profitability goals with the mitigation of inequality effects that could inform employee involvement practices in shared capitalist firms. By attending to the effects of organizational structure, levels of formalization, and narratives about workers, we are better able to understand the outcomes of shared capitalism.

Endnotes

[1] While it is beyond the scope of this chapter to fully engage with the debates regarding historical and contemporary definitions and uses of the concept of “the working class,” use of “working class” here posits that class is a system of inequality and refers to a group socioeconomic status (occupational prestige, earnings, wealth, and education) and what has been described as “inherited cultural identit[y]” (Bettie 2000:10). That is, “the working class” in this chapter are people from families and communities who had access to low-wage and low-prestige work only, who themselves are constrained by similar levels of access, and who have consciously and unconsciously adopted specific (and differing by race/ethnicity and gender) norms of behavior and expectation based on experiences within families and communities shaped by class inequality.

[2] Names and identifying details of organizations, places, and people have been changed to protect confidentiality, although details that are crucial to the meaning of the work have not been changed.

[3] Class is, of course, not entirely measured by educational level, but education is a highly reliable marker of class. In these specific cases, the two managers exhibited other markers of the working class: parental education and occupation, and family wealth.

[4] The sample eliminates employees who worked less than five hours per week; worked insufficient hours to be eligible for membership; or were hired or terminated six months or more into the year. Total population follows sample size in parentheses. Note the bakery’s labor statistics are somewhat obscured by hiring contingent labor, particularly in production, who aren’t eligible for profit-sharing and aren’t tracked by the bakery. Anecdotally, this labor force appeared to be almost entirely male and Latino. Also note that grocery employees self-report ethnoracially, while the bakery’s personnel office labels all its workers centrally. The grocery also surveys and records transgender members, who are absent from the gender count.

[5] Annual earnings include wages or salaries, profit sharing (in cash and valued shares of the company), and dividends paid on accrued noncash shares. The comparison is somewhat problematic, as grocery employees also receive a 20% discount on food and their health care benefits are more generous than the bakery’s. Hourly earnings are derived by dividing each employee’s annual earnings by her or his recorded hours. (As required for profit sharing based on input of hours, even salaried bakery employees track annual hours.) Note that the earnings of women of color at the bakery are not very meaningful, as there were only two such employees. All annual county-level annual earnings data are from the U.S. Census Bureau’s 2003 American Community Survey, but counties are not identified to protect the companies’ confidentiality. County-level hourly earnings data are from the California Employment Development Department (2004).

[6] Although some might legitimately raise concern about the high proportion of nonmember employees, particularly given earlier cooperatives’ unwillingness to extend membership beyond the founders (e.g., Perry 1978) and very early critics’ concerns that cooperatives were likely to “degenerate” into separate tiers of owners and non-owning employees (Webb and Webb 1897), it was clear from interviews and observation that a no vote on membership was exceptional. Every employee who applied for membership was accepted during my three years of observation, and no one could remember more than one member who had been rejected for membership since management had been instated in 1989.

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